

***United States Court of Appeals
for the Second Circuit***



APPENDIX

ORIGINAL
WITH PROOF
OF SERVICE

74-2589

B
PLS

UNITED STATES COURT OF APPEALS

for the

SECOND CIRCUIT

UNITED STATES OF AMERICA,

Appellee,

-against-

AHARON RON,

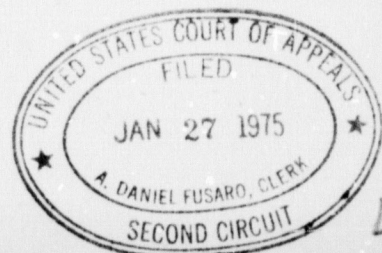
Defendant-Appellant.

ON APPEAL FROM THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF NEW YORK

APPENDIX

BUTLER, JABLOW & GELLER
Attorneys for Defendant-Appellant
400 Madison Avenue
New York, N. Y. 10017

PAUL J. CURRAN
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Attorney for Appellee
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PAGINATION AS IN ORIGINAL COPY

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DOCKET ENTRIES

CRIMINAL DOCKET
UNITED STATES DISTRICT COURT

JUDGE BRIEANT 2 CRIM 216

D. C. Form No. 100 Rev.

TITLE OF CASE
THE UNITED STATES

ATTORNEYS

For U. S.: 12 - 2 - 74

vs.

JOHN J. KELLEHER, AUSA, Ext. 634

12-20-73 ✓ 1. LOUIS BECK
12-20-73 ✓ 2. WILLIAM CHAMPION
✓ 3. COLLIN GARDNER
4-23-73 ✓ 4. FREDERICK LEE
12-20-73 ✓ 5. EMANUEL LIEBERMAN a/k/a Mannie Lester
4-9-73 ✓ 6. AHARON RON

For Defendant:

STATISTICAL RECORD	COSTS	DATE	NAME OR RECEIPT NO.	REC.	DISB.
J.S. 2 mailed ✓	Clerk	4/30/73	Keweenaw, N.Y.		
J.S. 3 mailed ✓	Marshal	5/1/73	U.S. Marshals		
NO. 100-69-0616	Docket fee				
Title 18	AHARON RON Fined				
Sec. 1343, 1341, 2, 2314, 371					
see below					
SEVEN COUNTS					



DATE	PROCEEDINGS
T. 18, §1343 & 2-Using radio communications in foreign commerce to execute scheme (cts. 1-4)	
T. 18, §1341 & 2-Using the mails in scheme & artifice to defraud (ct. 5)	
T. 18, §2314 & 2-Foreign transportation of securities taken by fraud (ct. 6)	
T. 18, §371-Conspiracy so to do (ct. 7)	SEVEN COUNTS
2-24-72	Filed Indictment.
3-6-72	COLLIN GARDNER) Both defendants plead not guilty. Bails fixed at \$10,000. unsecured. FREDERICK LEE) F.R.B. Bail limits to include Eastern Dist. of N.Y. Defendants ordered photographed & fingerprinted. Paroled until 4 P.M. 3-8-72 to post bonds. Motions ret. in 10 days.
	WILLIAM CHAMPION) No appearances. E/W's ordered. Court directs entry of not EMANUEL LIEBERMAN) guilty plea. Assigned to Judge Brieant for all purposes. Bail fixed at \$25,000. for deft. Champion.
	LOUIS BECK - Pleading adjd to 3-13-72 by consent.
	AHARON RON - Pleads not guilty. Bail fixed at \$10,000. unsecured F.R.B. Paroled in custody of his atty until 3-8-72 to post bond. Deft. to surrender his passport as a condition of bond. Ordered fingerprinted & photographed. Motions ret. in 10 days. CANNELLA, J.

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CRIM 216

DATE	PROCEEDINGS
3-6-72	FREDERICK LEE) Filed notice of appearance by H. Spencer Kepperman, Esq., 228 COLLIN GARDNER) Bergen Street, Brooklyn N.Y. - Tel. 875-0433.
3-6-72	AHARON RON-Filed PRB in the sum of \$10,000. Approved:Clerk.
3-13-72	Louis Beck-Pleads not guilty. Deft. ordered fingerprinted & photographed Released on own recognizance. Cannella, J.
3-6-72	William Shampion) Bench warrant issued Emanuel Lieberman)
3-15-72	LOUIS BECK-Filed notice of appearance by John E. Sprizzo, 100 Wall St. NYC 248-8111.
3-8-72	FREDDIE LEE-Filed unsec.PRB in the amt. of \$10,000.Approved:Clerk.
3-8-72	COLLIN GARNER-Filed unsec PRB in the amt. of \$10,000. Approved:Clerk.
3-24-72	Filed- Stipulation as to the following defts. Louis Beck) that the time for all motion case shall be filed by Aharon Ron) April 13, 1972. Briant, J. Collin Garner) Frederick Lee)
3-13-72	AHARON RON-Filed deft's affdvt. and notice of motion for discovery, for suppression, severance, etc. (BRIANT, J)
4-17-72	Beck- Filed stipulation signed by Judge Briant that the date for filing motions on behalf of deft. be and is hereby extended to and include April 24, 1972. So Ordered. (see file) (notice mailed)
5-12-72	Hearing held-Motions for severance etc. and adjd. to 6-9-72 9:30 A.M. Rm. 318 Dec. Resvd. Briant, J.
5-12-72	Collin Garner) Filed-Affvt. of Jay S. Horowitz, In response to motion Frederick Lee) for Pre-trial discovery (2) production evidence (3) bill of particulars and (4) severance and separate trials Louis Beck, et al., Filed- Memorandum of law
5-12-72	Filed -Affvt of Jay S. Horowitz in response to motions by Deft. Beck as severance, and separate trial, discovery and bill of particulars Filed- Govt's Memorandum of law. Filed- Memorandum of law as to deft. Aharon Ron,
6-9-72	A. Ron-filed notice of appearance by Morris Somers 501 5th Ave. NY NY
6-9-72	Govt. directed to engage Hebrew intrpr. for deft Ron, adjd. to 6-13-72 Deft. (Collin Garner) adjd. to 6-21-72 at 4:00PM. (Frederick Lee) Deft. Beck- Atty to advise court by letter on 6-21-72 Copy to Govt.

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JUDGE BRIEANT

D. C. 110 Rev. Civil Docket Continuation

DATE	PROCEEDINGS	Date of Judgment
7-12-72	COLLIN GARNER - (Atty. present) & FREDERICK LEE (Atty. present) Pre-Trial Conference held. WILLIAM CHAMPION - released on own recognizance. Adj. to 2 P.M. on 7/12/72 --- Sponsor Husbandman, Attorney for Defts. COLLIN GARNER & Frederick Lee. --- BRIEANT, J.	
7-13-72	SHARON RON - adj. until 7-13-72 at 1:30 P.M. in Room 110 -- BRIEANT, J.	
7-12-72	WILLIAM CHAMPION -- Arthur Grider atty. of record FREDERICK LEE financial affidavit submitted -- BRIEANT, J.	
7-13-72	SHARON RON - Adj. to 7/17/72 -- BRIEANT, J.	
7-17-72	SHARON RON - Adj. to 7/21/72 -- BRIEANT, J.	
7-22-72	COLLIN GARNER - No appearance, I/M. ordered. -- BRIEANT, J.	
7-22-72	COLLIN GARNER - I/M. issued.	
8-1-72	Filed Statement of assets of movants, Beck 5-12-72	
7-21-72	Frederick Lee - Filed affidavit of financial status.	
7-1-72	SHARON RON - Filed notice of appearance by Joseph I. Stone, Esq., 277 E'way, W.C. - Phone Re 2-2270	
8-30-73	Filed notice of readiness for trial. (Beck, J.)	
7-13-72	7-13-72	
10-27-72	Beck- Filed memorandum and Order by Judge Brieant, dtd. 10-27-72 " By notice of motion dated April 24, 1972, deft. Beck moved for a severance of discovery and inspection, a bill of particulars and other relief. These motions are granted in part and denied in part. (see file) (m/n)	
10-31-72	Beck- Filed supplemental affidavit in support of motion for a separate trial ****	
10-30-72	A. Ron - Filed memo endorsed on motion filed 4-13-72 The requests in the discovery motion are disposed of GRANTED IN PART (see memo) The motion for severance is denied... Brieant, J. (m/n)	
11-1-72	Defts GARNER AND LEE - Filed Defendants notice of motion for discovery & inspection, etc. -	
11-1-72	Defts GARNER AND LEE - Filed memo endorsed on above motion GRANTING same in part and DENYING same in part - as indicated herein - Brieant, J. (m/n)	
11-29-72	A. Ron - (atty present) Bail increased to include a \$2,500 surety bond Defts bail limits to include Israel 12-21-72 Brieant, J.	
12-5-72	A. Ron - Filed certificate in re bail enlargement and travel to Israel. - Brieant, J.	
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DATE	PROCEEDINGS	Date of Judgment
12-12-72	Collin Garner - B/W ordered. --- Brieant, J.	
12-12-72	A. Ron-Filed following papers rec'd from Magistrate, docket sheet, appearance bond.	
12-12-72	Collin Garner - B/W Issued ---	
12-29-72	Filed Govts bill of particulars on request of deft. Beck.	
-10-73	Ron-Filed Consent order that the additional bond aforementioned only be and the same hereby is discharge and the bail exonerated. Brieant,	
1-17-73	Garner- Appeared in Court. B/W vacated. Deft. advised to appear for trial 2/6/73. Brieant, J.	
2-22-73	application & Filed/order that Coy Dulane Smith give testimony as a witness as to all matters about which he may be interrogated before U.S. District Court. This order shall become effective only if after the date of this order the said Coy Dulane Smith refuses to testify or provide other information on the basis of his privilege against self incrimination. --- Brieant, J.	
2-15-73	Lee-Filed CJA appointing Court reporters for transcript for proper defense.	
2-6-73	Jury trial begun before Brieant, J. (except deft. Emanuel Lieberman, (Deft. Gardner-Pro-Se)	
2-7-73	Trial continued.	
2-8-73	Trial continued.	
2-13-73	Trial continued. Deft. Gardner retains counsel.	
2-14-73	Trial continued.	
2-15-73	Trial continued.	
2-16-73	Trial continued.	
2-20-73	Trial continued.	
2-21-73	Trial continued.	
2-22-73	Trial continued.	
2-23-73	Trial continued.	
2-26-73	Trial continued.	
2-27-73	Trial continued.	
2-28-73	Trial continued.	
Continued on page A-4		

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CRIMINAL DOCKET

DATE	PROCEEDINGS	JUDGE CARTER
73	Trial continued.	
73	Trial continued. Deft. Aharon Ron remanded in lieu of bail set in the sum of \$25,000. cash or surety.	
73	Trial continued.	
73	Trial continued.	
73	Trial continued. Jury verdict(partial) as to deft. RON-Guilty on counts 1,2,3,5,6 and 7. Not Guilty on count 4. Pre-sentence investigation ordered. Sentence adjourned to 4/9/73. Remanded in lieu of bail of \$25,000. cash or surety.	
	GARNER-Guilty on count 7. Not Guilty on counts 1 thru 6. Pre-sentence investigation ordered. Sentence adjourned to 4/23/73 at 9:30 A.M. Bail continued.	
	LEE- Guilty on count 7. Not Guilty on counts 1 thru 6. Pre-sentence investigation ordered. Sentence adjourned to 4/23/73. Bail continued.	
5-73	Trial continued and concluded. Jury verdict as to deft. CHAMPION. Not Guilty on counts 1 thru 6. No verdict as to count 7. Bail continued. DEFT. CHAMPION'S MOTION FOR MISTRIAL AS TO COUNT 7.--GRANTED.	
	BECK-No verdict on counts 1 thru 7. Bail continued. Deft. BECK'S motion for MISTRIAL as to counts 1 thru 7. GRANTED.	
		Brieant, J.
	Following papers received from Judge Brieant's chambers.	
2-72	Docketed memorandum of law in support of deft's Beck pre-trial motions.	
5-73	Docketed letter from J.I.Stone, Esq., to Judge Brieant re:witness and dated 8-15-72.	
-72	Docketed affidavit of AUSA Horowitz.	A-5

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DATE	PROCEEDINGS
6-15-73	Docketed notice of motion, ^{requesting} granting withdrawal of H. S. Spencer Kupperman Esq., as counsel for deft. Garner. noted received by mail 6/7/72.
6-15-73	Filed Transcript of record of proceedings, dated 6-9-72
6-15-73	Filed Transcript of record of proceedings, dated 6-9-72
6-15-73	Filed Transcript of record of proceedings, dated 6-13-72
6-15-73	Filed Transcript of record of proceedings, dated 6-4-73
6-14-73	Frederick Lee- Mailed CJA authorization of court reporters to the A.O.
6-14-73	Ahron Ron-Mailed CJA authorization of court reporters.
6-7-73	Ahron Ron-Filed appearance bond in the amount of \$25,000 receipt # 20830.
6-9-73	Ahron Ron- sentenced (see judgment) bond \$50,000. P.R.B. secured by \$25,000. cash to be co-signed by wife and father in law -- Brieant, J.
6-9-73	AHARON RON-Filed Judgment ("72-345") Atty. & interpreter present in Court..Deft is committed for imprisonment for a period of FIVE YEARS on each of counts 1,2 and 3, to be served concurrently with each other. FIVE YEARS on each of counts 5,6 and 7, to be served concurrently with each other, but CONSECUTIVELY to the sentences imposed on cts.1,2 and 3. Deft is fined \$5,000.00 cumulatively on each of cts.6 and 7. The cumulative fine on cts.6 and 7 is a committed fine pursuant to Ti.18, U.S.Code, Section 3565. Deft is to pay the fine or stand committed until the fine is paid or he is otherwise discharged according to law. Deft shall become eligible for parole pursuant to Section 4208(a)(2) of Ti.18, U.S.Code at such time as the board of parole may determine. Deft is cont'd on present bail until 6-10-73 at 5 p.m. at which time deft is to post bail pending appeal fixed in the amount of \$50,000.00 P.R.B. secured by \$25,000 and co-signed by his father-in-law and wife....Brieant, J....Entered 6-10-73.
6-9-73	AHARON RON- Filed notice of appeal to the U.S.C.A. for the 2nd Circuit from judgment filed 6-9-73 - Leave to appeal in forma pauperis is granted. So ordered.- Brieant, J. (mailed copies to deft. and U.S.Atty.)
6-11-73	Ahron Ron- Filed P.R.B. pending appeal in the sum of \$50,000. secured by \$25,000. cash (receipt #11-1-1-341) co-signed by defendants wife and defendants father in law. acknowledged signatures only (not cash) in Hartford, Conn. U.S.District Court
	--Cont'd A-6 --

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CRIMINAL DOCKET

JUDGE CARTER

DATE	PROCEEDINGS
-19-73	AMARON RON-Filed CJA 20 copy 5 appointing Jos. I. Stone dtd. 4-13-72 Brieant, J.
-19-73	AMARON RON-Filed CJA 20 copy 2 approving payment to Jos. I. Stone dtd. 4-13-73-Brieant, J.
4-25-73	AMARON RON - Filed Remand LTR 3-2-73

-23-73	COLLIN GARDNER - Filed Judgment(Atty.present)deft is committed to custody of the Atty.Gen. on count 7 pursuant to Sec.4208(b)of Ti.18, U.S.Code, for study, report and recommendations as described in Sec. 4208(c). This commitment is deemed to be for the maximum sentence prescribed by law, to wit, FIVE YEARS, unless altered by this Court pursuant to said section upon the receipt of the report and recommendations. The results of such study, together with any recommendations which the Director of the Bureau of Prisons believes would be helpful in determining the disposition of the case shall be furnished to the Court within THREE MONTHS, unless the Court grants additional time for further study. Surrender is stayed for a period of 10 days. If the appeal is taken during that 10 day period, surrender will be stayed during the determination of the appeal. Deft is continued on present bail until he posts bail pending appeal fixed in the amount of \$10,000 Unsecured P.R.B.....BRIEANT, J.....Entered 4-27-73-----
4-23-73	FREDERICK LEE-Filed Judgment(Atty.present)deft is committed for imprisonment for a period of THREE YEARS on count 7 pursuant to 3651 of Ti.18, U.S.Code, as amended, with provision that the deft be confined in a JAIL type institution for a period of THREE MONTHS, as provided in the aforesaid section. Execution of the remainder of the sentence is suspended. Deft is placed on probation for a period of THIRTY-THREE MONTHS, to commence upon expiration of confinement, subject to the standing probation order of this Court. Deft cont'd on present bail until he posts bail pending appeal in the amount of \$10,000 UNSECURED P.R.B.....BRIEANT, J.....Entered 4-27-73-----
4-30-73	Buzk-Filed appointment of T. Krieger for deft Frederick Lee pursuant to the CJA. Brieant, J.
4-29-73	CARTER- Filed notice of appeal to the U.S.C.A. for the 2nd Circuit from judgment filed on 4-23-73 (mailed copies to deft. and U.S. Atty.)
4-26-73	LEE- Filed notice of appeal to the U.S.C.A. for the 2nd Circuit from judgment filed on 4-23-73 - leave to file: A-7 a pauperis pr. - Brieant, J. and U.S. Atty.)

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DATE	PROCEEDINGS
1-15-73	Filed Transcript of record of proceedings, dated 2/16, 20, 21, 22, 25-1973
1-15-73	Filed Transcript of record of proceedings, dated 3/2, 3, 5, 6/1973. - 3/11/73
1-15-73	Filed Transcript of record of proceedings, dated 2/7, 8, 13, 14, 15/1973.
1-15-73	Filed Transcript of record of proceedings, dated 2/26/73, 2/27, 28/73, 3/1/73.
2-25-73	<i>Emanuel Lieberman</i> Closed statistically because (X) defendant) is () co-defendant) a () witness) fugitive. In all other respects this case is still pending.
2-30-73	Lee- Mailed Copy I form 20 of the CJA to the A.O. for payment.
2-30-73	Lee- Filed appointment of Jay Gold as counsel. Briant, J.
3-18-73	Filed notice the record on appeal has this date been certified and transmitted to U.S.C.A.
3-23-73	Filed CJA form # 21, Authorization of transcript, to Sup. Dist. Court Reporters. BRIANT, J.
3-23-73	LOUIS BECK-Filed OPINION # 39,698--Deft. motion to dismiss the indictment without prejudice by reason of an alleged abuse of the grand jury proceedings is denied. So Ordered--Briant, J.. Mailed notices 7-25-73.
7-31-73	EMANUEL LIEBERMAN- Deft. pleads not guilty. Deft. remanded in lieu of bail fixed at \$200,000. BRIANT, J.
8-7-73	LOUIS BECK- Filed memo in support of deft. motion to dismiss indictment.
8-6-73*	Case reassigned to JUDGE BAUMAN.
8-8-73	EMANUEL LIEBERMAN - Hearing on application for reduction of bail. Bail is reduced from \$200,000. to \$100,000. Deft. remanded in lieu of bail. Cash or Surety. WARD, J.
8-3-73 *	EMANUEL LIEBERMAN - Filed warrant for A-8 with marshals ret. executed 7-19-73.
8-16-73	Filed Transcript of record of proceedings dated 1/23/73
8-16-73	Filed Transcript of record of proceedings dated 1/23/73

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JUDGE CARTER

Emanuel Lieberman, etal.

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DATE	PROCEEDINGS
2-24-73	Lieberman- Filed affdvt. and notice of motion for an order directing release of deft. on reasonable bail. - ret. 8-27-73 (motion made under the name of Emanuel Lester)
2-27-73	Lieberman- Filed memo endorsed on above motion: "The motion is denied without prejudice to its presentation to Judge Carter when he is available. - So ordered. - Wyatt, J. (m/n)
5-73	LIEBERMAN- (Atty. present) Deft. produced on writ - Bail application is denied. - Carter, J.
Oct-3-73	M. LESTER- counsel to be assigned W. Champion- counsel to be assigned L. BECK- (Attorney Frank G. Raichle present) Attorney F.G. Raichle makes oral motion to be relieved as counsel for deft. Beck. The motion is GRANTED. Defendants Beck NEW COUNSEL IS: Rayn Silberling. Hearing set down for November 9, 1973 at 10 AM. M. LESTER- remanded in lieu of bail set at \$200,000. W. CHAMPION- continued R.O.R. Deft. BECK- R.O.R.
Oct-3-73	LOUIS BECK- Filed notice of appearance by Rayn Silberling, 375 Park Ave., NYC 10022 - Phone: 752-2136
Oct-10-73	FREDRICK LEE- Filed CJA copy #2 - original mailed to A.C. Washington DC to pay S.D. Court Reporters. -- Lreant, J.
Oct-12-73	Filed affdvt. of John J. Kellener (Filed in Court)
Oct-18-73	W. CHAMPION- Filed CJA appointment of Lawrence S. Goldman, Suite 1036 - Lincoln Bldg., 60 East 42nd St. NYC as counsel for defendant -- Carter, J.
Oct-21-73	LOUIS BECK- WILLIAM CHAMPION and EMANUEL LESTER-- hearing held. Trial date set for Nov-12-73 at 10 AM. LESTER- Deft. makes oral motion for reduction of bail - motion denied. Writ of H/C denied. Deft. LESTER remanded in lieu of bail fixed at \$200,000. --- Carter, J.
Oct-25-73	LESTER- Filed order directing Clerk in Crim. Part to turn over to Robert P. Leighton, Esq. the trial minutes which are kept in his possession to be used for this current trial. -- Carter, J.
10-24-73	Filed Transcript of record of proceedings, date 6-30, & Sept. 8, 13, & Nov 9, 1972
10-30-73	Filed Govt's Designation of exhibits to be transmitted to USCA (exhibits attached) with affidavit of service.
Oct-30-73	CHAMPION- Filed affdvt. and notice of motion for severance - ret. Nov-9-73
Oct-31-73	Filed notice that the record on appeal has been certified and transmitted to the USCA on 10-31-73
Oct.31-73	Filed true copy of USCA mandate affirming order of this Court. Judgment entered, Clerk: (as to deft. Lieberman).
Nov.9-73	LESTER--Filed CJA appointment of: Robert P. Leighton Leighton, Leighton & Leighton 15 Park Row, NYC 10038 Carter, J.

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DATE	PROCEEDINGS
10-2-73	LESTER--Filed CJA authorization of expert services to pay to the U.S.D. S.D.N.Y. Court Reporters for motions held on Oct. 24, 1973. Carter, J. m/n
10-17-73	RON--Filed true copy of USCA mandate dismissing appeal from the judgment of the USDC, SDNY. m/n
10-9-73	RON--Filed true copy of USCA mandate. Ordered that the dismissal of the appeal of Aharon Ron is vacated. m/n
10-16-73	CHAMPION--(Filed endorsement)--deft. seeks to compel the govt. to name all witnesses who will testify against him at trial. This motion is denied. Carter, J. m/n (So ordered)
10-16-73	LESTER--(Filed endorsement)--The govt. has failed to obtain defts. consent to supply handwriting exemplars and applies for an order from the court to require Lester to supply such exemplars. The Second Circuit appears to have read (Gilbert v. California) as authority for the proposition that a deft. may be required to execute handwriting exemplars in such a situation without doing violence to his constitutional rights. Accordingly, the Govts. application is granted. So ordered, Carter, J. m/n
10-16-73	Filed transcript of record of proceedings, dated Oct. 24, 1973.
10-26-73	LESTER-- Filed defendant's memorandum of law
10-16-73	LESTER--Filed defendant's motion for the return of seized material.
10-28-73	LESTER--Filed CJA authorization to pay to the S. D. Court Reporters for pre trial conferences and trial work. Carter, J.
10-30-73	Filed transcript of record of proceeding dtd. 9/5/73
10-30-73	Hearing begun and concluded - as to search of warrants and seizure. Criminal Jury Trial begun and continued 11/16/73, 11/20, 11/21, 11/22, 11/27, 11/28, 11/29, 11/30, 12/1, 12/2, 12/3, 12/4, 12/5, 12/6, 12/7, 12/8, 12/9, 12/10, 12/11, 12/12, 12/13, 12/14, 12/15, 12/16, 12/17, 12/18, 12/19, 12/20, 12/21, 12/22, 12/23, 12/24, 12/25, 12/26, 12/27, 12/28, 12/29, 12/30, 12/31, 1/1/74, 1/2/74, 1/3/74, 1/4/74, 1/5/74, 1/6/74, 1/7/74, 1/8/74, 1/9/74, 1/10/74, 1/11/74, 1/12/74, 1/13/74, 1/14/74, 1/15/74, 1/16/74, 1/17/74, 1/18/74, 1/19/74, 1/20/74, 1/21/74, 1/22/74, 1/23/74, 1/24/74, 1/25/74, 1/26/74, 1/27/74, 1/28/74, 1/29/74, 1/30/74, 1/31/74, 2/1/74, 2/2/74, 2/3/74, 2/4/74, 2/5/74, 2/6/74, 2/7/74, 2/8/74, 2/9/74, 2/10/74, 2/11/74, 2/12/74, 2/13/74, 2/14/74, 2/15/74, 2/16/74, 2/17/74, 2/18/74, 2/19/74, 2/20/74, 2/21/74, 2/22/74, 2/23/74, 2/24/74, 2/25/74, 2/26/74, 2/27/74, 2/28/74, 2/29/74, 2/30/74, 3/1/74, 3/2/74, 3/3/74, 3/4/74, 3/5/74, 3/6/74, 3/7/74, 3/8/74, 3/9/74, 3/10/74, 3/11/74, 3/12/74, 3/13/74, 3/14/74, 3/15/74, 3/16/74, 3/17/74, 3/18/74, 3/19/74, 3/20/74, 3/21/74, 3/22/74, 3/23/74, 3/24/74, 3/25/74, 3/26/74, 3/27/74, 3/28/74, 3/29/74, 3/30/74, 3/31/74, 4/1/74, 4/2/74, 4/3/74, 4/4/74, 4/5/74, 4/6/74, 4/7/74, 4/8/74, 4/9/74, 4/10/74, 4/11/74, 4/12/74, 4/13/74, 4/14/74, 4/15/74, 4/16/74, 4/17/74, 4/18/74, 4/19/74, 4/20/74, 4/21/74, 4/22/74, 4/23/74, 4/24/74, 4/25/74, 4/26/74, 4/27/74, 4/28/74, 4/29/74, 4/30/74, 5/1/74, 5/2/74, 5/3/74, 5/4/74, 5/5/74, 5/6/74, 5/7/74, 5/8/74, 5/9/74, 5/10/74, 5/11/74, 5/12/74, 5/13/74, 5/14/74, 5/15/74, 5/16/74, 5/17/74, 5/18/74, 5/19/74, 5/20/74, 5/21/74, 5/22/74, 5/23/74, 5/24/74, 5/25/74, 5/26/74, 5/27/74, 5/28/74, 5/29/74, 5/30/74, 5/31/74, 6/1/74, 6/2/74, 6/3/74, 6/4/74, 6/5/74, 6/6/74, 6/7/74, 6/8/74, 6/9/74, 6/10/74, 6/11/74, 6/12/74, 6/13/74, 6/14/74, 6/15/74, 6/16/74, 6/17/74, 6/18/74, 6/19/74, 6/20/74, 6/21/74, 6/22/74, 6/23/74, 6/24/74, 6/25/74, 6/26/74, 6/27/74, 6/28/74, 6/29/74, 6/30/74, 7/1/74, 7/2/74, 7/3/74, 7/4/74, 7/5/74, 7/6/74, 7/7/74, 7/8/74, 7/9/74, 7/10/74, 7/11/74, 7/12/74, 7/13/74, 7/14/74, 7/15/74, 7/16/74, 7/17/74, 7/18/74, 7/19/74, 7/20/74, 7/21/74, 7/22/74, 7/23/74, 7/24/74, 7/25/74, 7/26/74, 7/27/74, 7/28/74, 7/29/74, 7/30/74, 7/31/74, 8/1/74, 8/2/74, 8/3/74, 8/4/74, 8/5/74, 8/6/74, 8/7/74, 8/8/74, 8/9/74, 8/10/74, 8/11/74, 8/12/74, 8/13/74, 8/14/74, 8/15/74, 8/16/74, 8/17/74, 8/18/74, 8/19/74, 8/20/74, 8/21/74, 8/22/74, 8/23/74, 8/24/74, 8/25/74, 8/26/74, 8/27/74, 8/28/74, 8/29/74, 8/30/74, 8/31/74, 9/1/74, 9/2/74, 9/3/74, 9/4/74, 9/5/74, 9/6/74, 9/7/74, 9/8/74, 9/9/74, 9/10/74, 9/11/74, 9/12/74, 9/13/74, 9/14/74, 9/15/74, 9/16/74, 9/17/74, 9/18/74, 9/19/74, 9/20/74, 9/21/74, 9/22/74, 9/23/74, 9/24/74, 9/25/74, 9/26/74, 9/27/74, 9/28/74, 9/29/74, 9/30/74, 10/1/74, 10/2/74, 10/3/74, 10/4/74, 10/5/74, 10/6/74, 10/7/74, 10/8/74, 10/9/74, 10/10/74, 10/11/74, 10/12/74, 10/13/74, 10/14/74, 10/15/74, 10/16/74, 10/17/74, 10/18/74, 10/19/74, 10/20/74, 10/21/74, 10/22/74, 10/23/74, 10/24/74, 10/25/74, 10/26/74, 10/27/74, 10/28/74, 10/29/74, 10/30/74, 10/31/74, 11/1/74, 11/2/74, 11/3/74, 11/4/74, 11/5/74, 11/6/74, 11/7/74, 11/8/74, 11/9/74, 11/10/74, 11/11/74, 11/12/74, 11/13/74, 11/14/74, 11/15/74, 11/16/74, 11/17/74, 11/18/74, 11/19/74, 11/20/74, 11/21/74, 11/22/74, 11/23/74, 11/24/74, 11/25/74, 11/26/74, 11/27/74, 11/28/74, 11/29/74, 11/30/74, 12/1/74, 12/2/74, 12/3/74, 12/4/74, 12/5/74, 12/6/74, 12/7/74, 12/8/74, 12/9/74, 12/10/74, 12/11/74, 12/12/74, 12/13/74, 12/14/74, 12/15/74, 12/16/74, 12/17/74, 12/18/74, 12/19/74, 12/20/74, 12/2

DOCKET ENTRIES

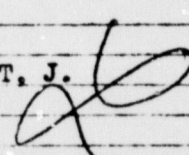
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Judge Carter


DATE	PROCEEDINGS
ec- 5-73	Louis BECK William CHAMPION EMANUEL LESTER } trial continued
ec- 6-73	Trial continued
ec- 7-73	Trial continued
ec-10-73	Trial continued
ec-11-73	Trial continued -- also hearing begun and concluded --
ec-12-73	Trial continued
ec-13-73	Trial continued
ec-14-73	Trial continued
ec-17-73	Trial continued
ec-18-73	Trial continued
ec-19-73	Trial continued
ec-20-73	Trial continued and concluded. Jury Verdict: LOUIS BECK - Not guilty. WILLIAM CHAMPION - Not guilty EMANUEL LESTER - Not guilty. EMANUEL LESTER- to serve 60 days after being held in contempt of Court. A.U.S. Atty. Franklin Velie to draw up contempt order. -- Carter, J.
ec-23-73	Filed transcript of record of proceedings, dated 12-18-73
ec-23-73	Filed transcript of record of proceedings, dated 12-21-73
ec-27-73	EMANUEL LIEBERMAN a/k/a M. LESTER- Filed remand dated 10-3-73
Jan- 4-74	EMANUEL LESTER- Filed order that deft. Lester may cause to be issued subpoenas for service on named witnesses upon ex parte applications from the defendant, and further ordered, that such witnesses subpoenaed on his behalf who testify in the above captioned trial shall be paid expenses and witnesses' fees in the same amounts that such witnesses would be paid if subpoenaed on behalf of the Govt. and such costs shall be paid by the Government; that the limitation of non-New York residents is limited to the following witnesses: Martino, Tillery, Seagraves, Surner, Cutbirth, Martin and Epel -- Carter, J. m/n
Jan. 9-74	EMANUEL LIEBERMAN a/k/a Marnie Lester - Filed Certificate of Contempt. In accordance with Rule 40(a) of the Federal Rules of Crim. Procedure and pursuant to Title 18, U.S.C., I find that Emanuel Lieberman, a/k/a Marnie Lester has, by his contumacious statements and conduct, committed acts of contempt, constituting a deliberate and wilful attack upon the integrity of this Court, the administration of justice and with the intent of disrupting the proper functioning of the Court. Accordingly, I hereby sentence Emanuel Lieberman, a/k/a Marnie Lester, to sixty (60) days imprisonment in the custody of the Attorney General or his duly representative. Mr. Lester is to surrender to the United States Marshal for the Southern District of New York on January 14, at 10:30 A.M. in Courtroom 506, U.S. Courthouse, Foley Sq., N.Y., N.Y. So ordered- Carter, J. (u/n) (2 cc to Marshal)
10-74	Filed transcript of record of proceedings, dated 11-9-73
Jan. 15-74	Filed Affidavit in Support of Request for Compensation under Crim. Justice Act.
Jan. 15-74	Filed Memo-endorsed re: the above Affdvt. -- Request Denied - Carter, J. (m/n)
Jan. 17-74	Filed William Champion - CJA 21 authorization for Transcripts.
Jan. 21-74	BECK, CHAMPION, LESTER - Filed transcript of record of proceedings, dated 11-30-73
Jan. 22-74	Filed transcript of record of proceedings, dated 11-13-72
Jan. 21-74	Filed memo: A-11 1 12-3-73

DOCKET ENTRIES

DATE	PROCEEDINGS
2.21-74	Filed Govt. Affidavit of Bart M. Schwartz, in opposition to deft. Lester's application for a hearing on motion to suppress stock certificates etc.
2.29-74	Filed for WILLIAM CHAMPION - CJA 20 Appointment of defense counsel Original mailed to Wash. D. C. (Goldman & Hafetz, Esq.)
2.29-74	WILLIAM CHAMPION - Filed CJA 21 Authorization to pay Court Reporters - Carter, J. (Orig. mailed to Wash. D. C.)
2.31-74	EMANUEL LESTER - Filed Application and Affidavit, for motion for surrender to be adjourned for 10 days or 2 weeks.
3.5-74	EMANUEL LESTER - Filed memo-endorsed re:above application -- Recus denied as moot - Carter, J. (n/n)
3.5-74	EMANUEL LESTER - Filed Notice of Motion returnable 2/13/74 Rm. 506 for an order to have hearing on the alleged contempt or the dismissal thereof, and for such other and relief as to the Court may seem proper.
3.16-74	EMANUEL LESTER - Filed True copy of Certificate of Contempt.
3.20-74	Filed Application requested an order be entered re:Travel Expenses to George L. Verity as appeared as witness.
3.21-74	EMANUEL LESTER - Filed memo-endorsed on Notice of Motion dtd 2/5/74 -- The defendant has been incarcerated since January 31, 1974 pursuant to a sentence of 60 days' confinement for contempt of court. It is ordered that as of noon on Friday, 2/22/74 defendant be released from confinement and that execution of the remaining portion of the sentence for contempt of court be suspended. The motion for a hearing on contempt of court citation is therefore, moot. So ordered. Carter, J.
3.16-73	GARNER & LEE - Filed Transcript and record of proceedings dtd 8/23/73
3.16-73	COLLIN GARNER - Filed Transcript and record of proceedings dtd 8/23/73
3.18-74	Filed from U.S.C.A. true copy of Appeal--that the judgments are hereby Affirmed.
3.27-74	Filed memo-endorsed --The application ^{for travel expenses of Mr. Verity} is denied for the reasons stated in open court. So ordered - Carter, J. (n/n)
4.1-74	Filed Notice of Motion for an order permitting AARON RON to depart U.S. to Israel, and return before 4/22/74
4.6-74	Filed CJA 20 Appointment of Counsel of Robert Leighton 15 Park Row, N.Y. Original filed with ACWash, D.C.
4.6-74	Filed CJA 20 approving payment of above voucher. Carter, J.
4.1-74	A. RON-Application to go to Israel is granted. Defendant is to post additional \$50,000. cash bail. Total bail on Defendant is \$100,000.00.
4.11-74	A. RON: bail vacated. Bench warrant ordered.
4.11-74	A. RON - Bench Warrant Vacated. Bail re-instated - BRIEANT J. 
4.15-74	A. RON - Oral application for reduction of bail denied. - BRIEANT, J.
4.15-74	AARON RON - Filed Affidavit in support of application for change of Bail.

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DOCKET ENTRIES

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DATE	PROCEEDINGS
12-7-73	Proceedings, dated 12-7-73
12-7-73	Proceedings, dated 12-7-73
12-10-73	Proceedings, dated 12-10-73
12-11-73	Filed Transcript of record of proceedings, dated 12-11-73
12-11-73	Filed Transcript of record of proceedings, dated 12-11-73
12-18-73	Filed Transcript of record of proceedings, dated 12-18-73
12-19-73	Filed Transcript of record of proceedings, dated 12-19-73
12-20-73	Filed Transcript of record of proceedings, dated 12-20-73
2-74	Aaron RON- Filed Government's affidavit. in opposition to deft's motion
2-74	for a new trial.
2-74	Aaron RON- Filed Government's memorandum of law in opposition to deft's
5-74	motion for a new trial.
5-74	FREDERICK LEE - surrender adj. to 5-22-74
2-74	COLLIN GARNER- Judge Brieant referred.
2-74	FREDERICK LEE- deft. surrendered for sentence.
1-74	COLLIN GARNER- Filed commitment & ordered return. Deft. delivered to WARDEN, Fed.
1-74	DETENTION HQS, NY, NY - 6-21-74.
1-74	FREDERICK LEE- Filed commitment & ordered return. Deft. delivered to WARDEN, Fed.
1-74	DETENTION HQS, NY, NY - 5-22-74
1-74	Filed transcript of record of proceedings, dated JULY 10-74
1-74	Filed transcript of record of proceedings, dated NOV 29, 1972
0-22-74	COLLIN GARNER- Filed Judgment and Order of Probation - IT IS ORDERED AND ADJUDGED that the Deft. is sentenced pursuant to Sec. 3651 of Title 18, U.S. Code, as amended, to a total term of FIVE (5) YEARS on Count 7 with provisions Deft. be confined in a Jail type institution for FOUR (4) MONTHS and ONE (1) DAY (time already served) as provided in the aforesaid section. Execution of the remainder of the sentence is suspended and Deft. is placed on Probation for a period of FOUR (4) YEARS, to commence upon his immediate release, subject to the standing probation order of this Court. Special condition of Probation being that the Deft. receive psychiatric supervision on an Out-patient basis during the period of his probation and Deft. is to follow all reasonable instructions of his Probation Officer with respect to receiving such treatment. - BRIEANT, J. (Judgment ent. 10-25-74)
0-22-74	COLLIN GARNER- Rec'd in Chambers, deft's Memorandum in Support of a Reduction of Deft's sentence under 18 U.S.C., Sec. 1028(b).
1-13-74	AHARON RON- Filed affidavit of Stanley Geller in support of Defts motion for a new trial or for a reduction of his sentence.
1-13-74	" " " Filed Deft's reply Mem of Law.
1-13-74	" " " Filed letter of Stanley A-14 dated 7-13-74 re. New Trial Motion.
1-13-74	" " " Filed Pliffs affidavit in support of Deft's reply affidavit re. new trial.

Cont'd on Page # ONLY COPY AVAILABLE

DOCKET ENTRIES

Rev. Civil Docket Confirmation

PROCEEDINGS

Date Order or
Judgment Noted

- 74 AHARON RON= Filed Memorandum and Order re. Rule 33 Motion by Deft - The Rule 33 Motion is Denied -22 ORDERED ---ERIEANT, J. (n/n)
- 75 AHARON RON= Filed Deft's Affidvt and Notice of Motion for an order, pursuant to Rule 4(b) of the Federal Rules of the Appellate Procedure, extending to the 18th of Dec 1974, the time for filing a notice of appeal from the order denying the Deft's motion for a new trial.
- AHARON RON= Filed Deft's Notice of Appeal to the U.S.C.A. from the Memorandum and Ordered, re. Rule 33, dated 11-18-74. (n/n to Deft's Atty - copy for Deft)
- 8-74 *Need Stipulation specifying what document and exhibits to be introduced to the USCA.*

A TELLER
RAYMOND E. BULLOCK, CLERK
[Signature]
Deputy Clerk

A-15

ONLY COPY AVAILABLE

INDICTMENT

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

MICROFILM

FEB 23 1972

UNITED STATES OF AMERICA

: 72 CRIM. 216

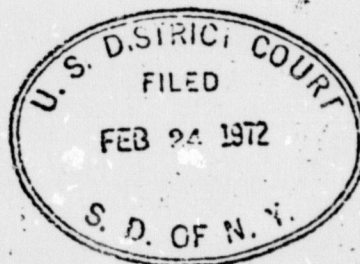
-v-

: INDICTMENT

: 72 Cr.

LOUIS BECK, WILLIAM CHAMPION,
COLLIN GARNER, FREDERICK LEE,
EMANUEL LIEBERMAN a/k/a
MANNIE LESTER and AHARON RON,

Defendants.



The Grand Jury charges:

INTRODUCTION

1. From on or about September 1, 1969, up to and including November 30, 1969, in the Southern District of New York, the defendants, LOUIS BECK, WILLIAM CHAMPION, COLLIN GARNER, FREDERICK LEE, EMANUEL LIEBERMAN a/k/a MANNIE LESTER and AHARON RON unlawfully and knowingly did devise a scheme and artifice to defraud and for obtaining money and property of a value of \$5,000 and more, by means of false and fraudulent pretenses, representations and promises from Goodbody & Co., Inc., Rawson Trust Company, Hayden Stone, Inc., The Bank of Montreal, The New York Agency Bank of Montreal, The Royal Bank of Canada, and Franklin National Bank, and divers others, hereinafter referred to as the persons to be defrauded by inducing and attempting to induce said persons to be defrauded to part with their money and property in the manner and by the means hereinafter set forth. A-16

INDICTMENT

2. It was a part of this scheme that defendants WILLIAM CHAMPION, COLLIN GARNER and FREDERICK LEE would steal and obtain by fraud from Goodbody & Co., Inc., securities, to wit, Leasco Data Processing Equipment Corporation Warrants in the approximate value of \$300,000.

3. It was further a part of this scheme that defendant LOUIS BECK would arrange for the Rawson Trust Company in Nassau, Bahamas, to sell said securities without disclosing to Rawson Trust or the ultimate purchaser that said securities were stolen, unlawfully converted and taken by fraud.

4. It was further a part of this scheme that defendant LOUIS BECK would open an account at Rawson Trust in Nassau, Bahamas, and use said account to sell the aforementioned stolen securities.

5. It was further a part of this scheme that defendant LOUIS BECK would cause the Rawson Trust Company to cause the issuance of checks by Hayden Stone & Company representing the proceeds of the sale of the aforementioned stolen securities.

6. It was further a part of this scheme that defendant LOUIS BECK would cause such checks to be deposited in accounts at the Bank of Montreal and the Royal Bank of Canada in the false and fictitious name of Michael C. Van Beuren.

7. It was further a part of this scheme that defendant EMANUEL LIEBERMAN, a/k/a MANNIE LESTER, would obtain checks drawn on the Michael C. Van Beuren account at the Bank of Montreal.

INDICTMENT

defendants AHARON RON and EMANUEL LIEBERMAN, a/k/a MANNIE LESTER, would open checking accounts at the Franklin National Bank, one of said accounts being in the aforementioned fictitious name, and deposit checks therein drawn on the New York Agency Bank of Montreal, representing a part of the proceeds of the sale of the aforementioned stolen securities.

9. It was further a part of this scheme that defendants LOUIS BECK and AHARON RON would introduce defendant EMANUEL LIEBERMAN, a/k/a MANNIE LESTER to an officer of the Franklin National Bank as MICHAEL C. VAN BEUREN and induce said officer to cash a \$10,000 check which was a part of the proceeds of the sale of the aforementioned stolen securities.

10. Each and every allegation of this INTRODUCTION is hereby repeated, realleged and incorporated by reference in each of Counts One through Seven of this indictment as though fully set forth therein.

COUNTS ONE THROUGH FOUR

The Grand Jury further charges:

1. On or about the dates hereinafter set forth in Counts One through Four, in the Southern District of New York, the defendants, LOUIS BECK, WILLIAM CHAMPION, COLLIN GARNER, FREDERICK LEE, EMANUEL LIEBERMAN, a/k/a MANNIE LESTER and AHARON RON [unlawfully, wilfully and knowingly did transmit and cause to be transmitted by means of

INDICTMENT

wire and radio communications in foreign commerce, writings, signs, signals and sounds [as hereinafter set forth for the purpose of executing the scheme and artifice] set forth in the INTRODUCTION:

<u>COUNT</u>	<u>DATE</u>	<u>MATTER</u>
1	November 7, 1969	International telegram from LOUIS BECK to Rawson Trust Company giving instructions regarding payment.
2	November 8, 1969	International telegram from Rawson Trust Company to LOUIS BECK reporting a sale of securities.
3	November 10, 1969	International telegram from Rawson Trust Company to LOUIS BECK reporting a sale of securities.
4	November 10, 1969	International telegram from LOUIS BECK to Rawson Trust Company giving instructions regarding payment.

(Title 18, United States Code, Sections 1343 and 2)

COUNT FIVE

The Grand Jury further charges:

1. On or about October 31, 1969, in the Southern District of New York, the defendants, LOUIS BECK, WILLIAM CHAMPION, COLLIN GARNER, FREDERICK LEE, EMANUEL LIEBERMAN, a/k/a MANNIE LESTER, and AHARON RON unlawfully, wilfully and for the purpose of executing the scheme and artifice to defraud set forth in the INTRODUCTION, and attempting to do so, did place and cause to be placed in a post office and authorized depository for A-19 matter, a letter to be sent

INDICTMENT

and delivered by the Postal Service, and did cause to be delivered by mail according to the directions thereon, said letter addressed as follows:

Mr. Louis Beck
515 Madison Avenue
New York, New York 10022

(Title 18, United States Code, Sections 1341 and 2)

COUNT SIX

The Grand Jury further charges:

1. On or about the 12th day of November, 1969, in the Southern District of New York and elsewhere, LOUIS BECK, WILLIAM CHAMPION, COLLIN GARNER, FREDERICK LEE, EMANUEL LIEBERMAN, a/k/a MANNIE LESTER, and AHARON RON, the defendants, unlawfully, wilfully and knowingly did transport in foreign commerce from Montreal, Canada to New York, New York, goods, wares, merchandise, securities and money of the value of more than \$5,000, to wit, bank checks, knowing the same to have been taken by fraud, in furtherance of the scheme and artifice set forth in the INTRODUCTION.

(Title 18, United States Code, Sections 2314 and 2)

COUNT SEVEN

The Grand Jury further charges:

1. From on or about September 1, 1969 up to and including November 30, 1969, in the Southern District of New York and elsewhere, LOUIS BECK, WILLIAM CHAMPION, COLLIN GARNER, FREDERICK LEE, EMANUEL LIEBERMAN, a/k/a MANNIE LESTER, and AHAR ^{A-20}, the defendants, and other persons to the Grand Jury known and unknown, unlawfully,

INDICTMENT

wilfully and knowingly did combine, conspire, confederate and agree together and with each other to commit certain offenses against the United States, to wit, to violate Title 18, United States Code, Sections 2314, 2315, 1341 and 1343.

2. It was part of this conspiracy that said defendants would transport securities of the value of more than \$5,000 in interstate and foreign commerce, knowing the same to have been stolen, unlawfully converted and taken by fraud.

3. It was further a part of this conspiracy that the defendants would devise and intend to devise a scheme and artifice to defraud, and for obtaining money and property by means of false and fraudulent pretenses, representations and promises and that for the purpose of executing said scheme and artifice and attempting to do so they would use and cause to be used the United States mails and interstate and foreign wire and radio communication facilities.

4. It was further a part of this conspiracy that the defendants would transport securities and money of the value of more than \$5,000 in interstate and foreign commerce knowing the same to have been taken by fraud.

The allegations set forth in the INTRODUCTION of this indictment are repeated and realleged as though fully set forth herein as constituting and describing the means by which the defendants would and did carry out the said conspiracy.

INDICTMENT

JJK:mn
69-0616

OVERT ACTS

In furtherance of this conspiracy, and to effect the objects thereof, the following acts, among others, were committed in the Southern District of New York:

1. On or about the 12th day of November, 1969, LOUIS BECK, EMANUEL LIEBERMAN a/k/a MANNIE LESTER, and AHARON RON entered the Franklin National Bank at 410 Madison Avenue, New York, N.Y.

2. On or about the 12th day of November, 1969, LOUIS BECK placed a telephone call.

3. On or about the 29th day of October, 1969, LOUIS BECK caused the delivery of securities to a brokerage firm.

4. On or about the 7th day of November, 1969, LOUIS BECK caused the delivery of securities to a brokerage firm.

5. On or about the 10th day of November, 1969, LOUIS BECK caused the delivery of securities to a brokerage firm.

6. On or about the 10th day of November, 1969, LOUIS BECK sent a telegram.

7. On or about the 11th day of November, 1969, LOUIS BECK sent a telegram.

INDICTMENT

Agency of the Bank of Montreal at 2 Wall Street, New York,
N.Y.

(Title 18, United States Code, §371)

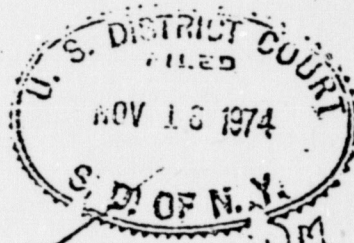
Abraham Th. H. [Signature]
Foreman

Whitney North Seymour Jr.
WHITNEY NORTH SEYMOUR, Jr.
United States Attorney

MEMORANDUM AND ORDER APPEALED FROM

ORIGINAL

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK



UNITED STATES OF AMERICA

-against-

LOUIS BECK, WILLIAM CHAMPION,
COLLIN GARNER, FREDERICK LEE,
and AHARON RON,

Defendants.

MEMORANDUM AND ORDER
[Rule 33 Motion by
Defendant Ron]

Brieant, J.

By Notice of Motion dated May 24, 1974, defendant Ron has moved, pursuant to Rule 33, F.R.Cr.P., for a new trial on the ground of newly discovered evidence, or in the alternative, pursuant to Rule 35, F.R.Cr.P., for a reduction of sentence.

At the hearing held on July 10, 1974, it was agreed that the Rule 35 motion would be held in abeyance pending the final resolution of the motion under Rule 33 or the further order of the Court, and that additional oral argument would be heard at such future time, solely with respect to the reduction of sentence.

After a four week trial before this Court and a jury, defendant Ron, on March 5, 1973, was convicted of three counts of wire fraud (18 U.S.C. §1343), one count of mail fraud

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(18 U.S.C. §1341), one count of interstate transportation of stolen securities as part of a scheme to defraud (18 U.S.C. §2314) and one count of conspiring to commit the foregoing offenses (18 U.S.C. §371). He was sentenced on April 23, 1973 to five years imprisonment on the first three counts of the indictment concurrently with each other, and five years additional concurrently on the remaining counts, making a total of ten (10) years, and fined \$5,000. Defendant's conviction was affirmed without opinion by the Court of Appeals on October 31, 1973 and a petition for certiorari was denied by the Supreme Court on April 15, 1974.

Of the six defendants named in the indictment, four were tried jointly with this defendant. Lee, Ron and Garner were convicted. The jury was deadlocked as to defendants Champion and Beck. In November 1973, those two were re-tried before Judge Carter of this Court together with defendant Lester, who had been unavailable for the first trial because he was incarcerated in Canada. All were acquitted.

The Rule 33 Motion

The newly discovered evidence defendant proffers on this motion consists of the testimony of co-defendant Emmanuel Lester given at Lester's separate, later trial before

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Judge Carter, said to be exculpatory of defendant Ron, and the allegedly inconsistent or perjurious testimony given at the Lester trial by the unindicted co-conspirator, Joseph Hagins, who testified for the Government at both trials.

Mr. Lester is now deceased. Mr. Hagins presumably would be available for a new trial. Ron urges that if the testimony Lester gave before Judge Carter were introduced at a new trial, and if Hagins were confronted with his testimony from the Lester trial and certain documentary evidence used at both trials, Ron would be acquitted.

The merits of this contention must be examined in light of the factual background of this case, and the entire record of Ron's trial. The evidence must be viewed in the light most favorable to the Government, United States v. Kahn, 472 F.2d 272, 277 (2d Cir. 1973); Glasser v. United States, 315 U.S. 60, 80 (1942).

The series of transactions alleged in the indictment occurred in October and November of 1969. As is so often the case in conspiracy trials, the most substantial direct evidence of knowing participation in the conspiracy to accomplish

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its illegal objective was provided by the unindicted co-conspirator, in this case, Hagins. His role was central to the conspiracy. He knew Lester, having engaged in prior similar transactions with him. Hagins knew Mr. Garner, through whom he met the suppliers of the stolen stock later sold by Lester with the assistance of Beck and Ron. But, as will be seen below, Hagins' testimony was by no means the sole basis for Ron's conviction.

According to Hagins, he met Lester sometime in 1968. In late October 1969, he discussed with Lester the possibility of obtaining stolen stock from the now defunct New York City brokerage firm of Goodbody & Co. Lester said he would be able to market the stock successfully through normal channels and thus obtain the full current market price.

Hagins became acquainted, through defendant Garner, with two persons who had worked for Goodbody, defendants Champion and Lee. Champion or Lee or somebody delivered stolen Leasco Data warrants valued at approximately \$850,000 to Garner. Garner delivered these publicly traded warrants to Lester in the presence of Hagins at the Midtown Motor Inn in New York City on October 27, 1969.

Because they would be easier to sell, Garner and

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Lester separated the Leasco warrants which were in "street name" or negotiable from the remaining warrants and Lester agreed to destroy those that were not in street name. Garner brought with him a Goodbody tax stamp. The warrants to be sold were stamped and they were therefore to all appearances negotiable and regular on their face.¹

Lester told Hagins and Garner he would pay half of the face value of the warrants within ten days. Two days later, Lester told Hagins he had found he could not sell such a large block of warrants without depressing the market price. It was agreed that he would make one partial sale each week and remit weekly payments of \$50,000 to the Hagins, Garner, Lee and Champion group of suppliers.

About a week later, November 5th or 6th, Hagins' suppliers became impatient to be paid. Hagins sought out Lester, who was then unable to pay because the settlement date for the first sale was November 7th. To placate Hagins, Lester gave him a check to Hagins' order signed by defendant Ron in the amount of \$4,600, explaining that Ron was backing him in the venture. Since Lester moved frequently from one hotel to another, he gave Ron's telephone number to Hagins at the same time so that through Ron, Hagins could locate Lester at

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any time in furtherance of the affairs of the conspiracy.

Hagins cashed the check with one Mordecai, a New York diamond merchant. On November 6th or 7th, Hagins received a call from Mordecai advising him that Ron's check had been returned for insufficient funds.² Immediately, Hagins went to see Ron, who took Hagins to the Israel Bank, on November 7th, cashed another check for \$5,000 also made out to Hagins (Exhibit 35) and gave Hagins cash for the check that had bounced. After that occasion, Hagins testified he saw Ron two or three times, that they discussed the stolen securities and the investments Ron and Lester planned to make with their share of the loot.

Under increasing pressure from Garner and the others, whose payment was long past due, Hagins went to Ron again on Sunday, November 9th. Ron knew that Lester was registered at the Belmont Plaza Hotel in New York under the false name of Emery, and told Hagins to take his money demands direct to Lester at that address. At the Belmont Plaza the next day, Lester told Hagins that the funds had not arrived. A day or two later, Lester called Hagins and said checks had arrived. From the Belmont Plaza where they then met, Hagins drove Lester to the office of the Bank of Montreal, in the Wall Street

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area. Hagins had seen two cashier's checks in Lester's possession, one for \$20,000 and another for \$70,000, drawn on the Bank of Montreal, Toronto branch. The checks were made out to Michael C. Van Beuren, a false name which Lester used in the presence of Ron.

While Hagins waited in the car, Lester attempted to cash the checks. When he returned, he had been unable to cash the checks, but had succeeded in inducing the New York office of the Montreal bank to exchange the two checks for nine cashier's checks of \$10,000 each, all of which were made out to Van Beuren. He showed these checks to Hagins.

From the Wall Street area, Hagins drove Lester to Mr. Beck's office, and then waited in the car while Lester went to a branch of Franklin National Bank at 410 Madison Avenue, New York City, to try to cash the checks. Zegras, a disinterested witness, proved that Ron, Lester and Beck were present together at the Franklin National Bank while Lester, in the presence of Beck and Ron, posed as "Van Beuren." A jury could infer that Ron, by his presence and by his posture there as a member of the clergy, participated knowingly in passing off Lester to Franklin National as

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a fictitious Canadian businessman named Van Beuren, and that Ron did so in furtherance of the objectives of the conspiracy.

Lester returned to the car with \$10,000 in cash, explaining that he could not cash the rest of the checks, and would have to go to Canada the next day, November 13th, to withdraw the money.

To insure the safe return from Canada of the suppliers' share of the money, Hagins sent Mr. Ruffin to stay with Lester that night at the Belmont Plaza and accompany him to Canada. Mr. Ruffin testified at Ron's trial, and while denying any knowledge of the conspiracy, confirmed that he made the trip to Canada with Lester in order to bring the money back, but lost Lester, or was eluded by him, at Customs in Canada, which fact he reported to Hagins by telephone from the airport. Shortly after he received that call from Ruffin, Hagins testified that Ron telephoned to tell him Lester had been arrested in Canada.

Defendant Ron now claims he knows nothing of the above transactions. He claims he never met Hagins until after November 13th, and he denies knowing that the securities were stolen. (See Ron's Affidavit, sworn to May 24, 1974). He did know Lester and thought he was a respectable businessman,

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attempting legitimately to sell his own securities, albeit under a false name. (See Ron Affidavit, ¶4) To assist him in doing so, Ron introduced Lester to defendant Beck, a reputable New York attorney. At both trials, Mr. Beck admitted that he arranged the sale as a favor to Ron, but denied having any knowledge that the securities were stolen.

An outline of the saga of the Leasco sale, gleaned from the testimony of Mr. Beck at both trials, supplemented by Mr. Lester's testimony at the second trial, is as follows.³

Mr. Beck had a meeting on October 29, 1969 in the Bahamas with Mr. Lionel Levine, who had been his friend and business associate for some time. The possibility of selling securities for Mr. Michael C. Van Beuren (as noted, one of the false names used by Lester) through Rawson Trust Company was discussed. Mr. Levine was a director and shareholder of Rawson, a Bahamian bank. He agreed to assist in having an account opened to effect the sale, but insisted the account be in Mr. Beck's name since Mr. Van Beuren was unknown to him. An account was opened in Mr. Beck's name with Rawson Trust Company.

At Mr. Beck's request, 33,500 shares of Leasco warrants were sold. The certificates were delivered to Beck by Ron and

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Lester and by Beck redelivered to Hayden, Stone & Co. in New York City for the account of Rawson Trust. The proceeds of the sale were deposited in Rawson's account at Chase Manhattan Bank in New York. On Lester's instructions, Mr. Beck had Rawson advise Chase Manhattan to transfer the proceeds to two Canadian bank accounts in the name of Michael C. Van Beuren. Chase Manhattan received the funds on Friday, November 7, 1969, and wired them to Canada on the next banking day, November 10, 1969. Mr. Lester received two bank checks on November 12, 1969, in the amounts of \$20,000 and \$70,000, drawn on one of the two Canadian banks, the Bank of Montreal, made payable to Michael C. Van Beuren.

As previously noted in describing Hagins' version, Lester attempted to cash these checks on November 12th at the Bank of Montreal's branch in the Wall Street area; that bank refused to do so, but did convert them into nine \$10,000 bank checks, also payable to Michael C. Van Beuren. These checks Lester took to Mr. Beck's New York office. From there, Beck, Lester and Ron went together to Franklin National Bank, where Mr. Beck was well and favorably known, in an attempt to cash the checks. After some hesitation, Mr. Zégras of Franklin National cashed one of the checks and gave Mr. Lester

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\$10,000. With another check, Ron opened an account. With another such check, Lester opened an account, in the name of Michael C. Van Beuren, by which false name he had been introduced to Mr. Zegras. Beck knew Lester as Van Beuren through Ron's introduction. Ron knew that the names "Emery" and "Van Beuren" were false, and part of the fraud.

On November 13, 1969, Lester arrived in Toronto, Canada, with Ruffin, to cash the remaining checks and withdraw the rest of the proceeds of the Leasco sale. He was arrested that morning by the Royal Canadian Mounted Police, and was later tried and convicted on Canadian charges arising out of the Leasco transaction. At least one civil action was commenced by Goodbody against Mr. Lester and the two banks which had the Leasco proceeds.⁴ A copy of a deposition of Lester taken in that action on October 27, 1970 was available at Ron's trial (Court Ex. 5).

The testimony of two of the bank witnesses, Mr. Gordon of the Bank of Montreal, and Mr. Zegras of Franklin National, as well as that of Mr. Beck and Mr. Lester, corroborates Hagins' testimony with respect to the events he participated in on November 12th. At his trial, Lester claimed that on November 12th, his unnamed "chauffeur"

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drove him to the Wall Street office of the Bank of Montreal and from there to Mr. Beck's office. Hagins claims to have been the "chauffeur." There is a vast amount of other evidence, both documentary and testimonial, in the record of Ron's trial corroborating other parts of Hagins' testimony which need not be set forth at length.⁵

There was lengthy cross-examination of Hagins by skilled counsel for all defendants, and the jury heard all details of Mr. Hagins' prior convictions, criminal activities, and substantial attacks on his character and veracity. At the first trial, Beck was defended by the Honorable Frank G. Raichle, a former prosecutor of Erie County, New York, and one of the most skilled practitioners of the art of cross-examination living today. He was assisted by Professor John E. Sprizzo of Fordham Law School, who later became a leading member of the successful defense team for former Attorney General John Mitchell in this Court. It was essential for defendant Beck to prove Hagins a liar.

Defendant Beck was united in interest with Ron on the trial, at least to the extent that each wished to prove Hagins a liar. Movant now relies on what, viewed against the background of the entire trial record, is an

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insignificant variance in the testimony of Hagins. Hagins testified in the first trial on his direct testimony that he had received a check, Government Ex. 34, which had been returned for insufficient funds and that thereafter, on November 6th or 7th, he went to the Israel Bank in company with Ron, and that Ron cashed another check for \$5,000, also made out to Hagins and gave Hagins cash for the check that had bounced. During cross-examination, Hagins changed his story, and said there had been three checks, one he had cashed which bounced, and two which were cashed by Ron the day they were at the Israel Bank together. At the second trial, Hagins testified that there were only two checks, the first for \$4,600 which bounced and was returned to Ron on the same day Hagins and Ron went to the bank, at which time Ron cashed the second check for \$5,000 and gave Hagins \$4,600 for the check that had bounced.

Whichever version of this element of their financial interrelationships is believable, either version incriminated Ron. But the best evidence of what checks were actually given was to be found in the checkbook stubs of Hechal Shalom received in evidence as Government Ex. 38 (which shows only two checks) and the two checks themselves,

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also received in evidence, Government Ex. 34 and Ex. 35.

As all participants at the trial well knew, these exhibits were before the jury, and the minor inconsistency between Hagins' direct testimony and his confused answer given under rigorous and hectoring cross-examination by a series of skilled lawyers taking turns, was more than amply explained by the documents. To call this inconsistency, which was so apparent at the trial "newly discovered evidence" is absurd. Apparently Hagins' recollection had been clarified somewhat by the time of the Lester trial, but the reliable evidence concerning the checks was to be found in the documents themselves, which as noted above were available.

Insofar as concerns possible exculpatory testimony of Lester, Beck's attorneys had given detailed consideration to the entire record of the criminal trial of Lester in Canada (Tr. p. 2393). Lester's deposition in the civil case had been made available to all counsel. One member of Beck's defense team in this Court actually attended a portion of the Lester criminal trial in Canada. Counsel for Beck followed the same tactical course which Ron's attorney selected and did not seek to depose Lester. For obvious reasons, they recognized that any attempt to adduce such

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evidence before the jury might well prove fatal.

Everything now relied on as exculpatory evidence from Lester was available then. None of it is newly discovered. Lester was not deposed as a result of reasonable tactical decisions, reasonably arrived at .

At the trial, Ron's counsel's tactic was expressed by his statement to the jury:

"[T]here are certain facts I will concede--
Fact 1, Mannie Lester is a crook." (Tr.p. 2553)

Beck's counsel followed the same tactic:

"Now, Lester, by consent and consensus is certainly a con man -- I don't like to use the vernacular -- confidence man, with unusual prowess in the field.

"He took the banker in Montreal. he comes down and he takes the banker in New York, in the vernacular, he gets nine \$10,000 checks; when they both knew the police were looking for him.

"Well then he sets about to see if he can get those cashed. He goes to see -- Lester does -- he goes to Beck's office to get Beck to make that memorable visit to the Franklin Bank, and the eminent and respected banker, Mr. Zegras, Beck's friend -- I was going to say with a friend like that, you don't need an enemy.

"But anyway, something else is going on that Beck wouldn't know. See if we get the events of that day very clearly in mind here. I hate to quote that discredited Hagins, but Hagins says that Lester told him he was

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fussing around with Lester when [sic; should be and] Lester went to the bank to get the nine \$10,000 checks, Beck knew nothing about this, and Lester told him he was going to Beck's office, and he went to Beck's office.

"And he, Hagins, waited around, a little later in the afternoon went to Beck's office looking for Beck." (Tr. p. 2595)

Now that it is over, Ron would revise his tactic. He would now treat Lester as a man of integrity and truth, whose exculpatory testimony most surely would exonerate. This is not "newly discovered evidence."

Defendant's burden on this motion for a new trial is heavy. Such motions are viewed with disfavor. United States v. Costello, 255 F.2d 876 (2d Cir.), cert. den., 357 U.S. 937 (1958); United States v. DeSapio, 456 F.2d 644 (2d Cir. 1972). The traditional test applied on motions for a new trial was stated in United States v. Kahn, 472 F.2d 273, 287 (2d Cir. 1973):

"The evidence must have been discovered after trial, must be material to the factual issues at the trial and not merely cumulative and impeaching, and of such a character that it would probably produce a different verdict."

The gloss on that rule found in United States v. Silverman, 430 F.2d 106, 119 (2d Cir. 1970), modified on different grounds, 439 F.2d 198, cert. den., 402 U.S. 953, is inapplicable to

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this case. Silverman held that where the Court finds satisfactory evidence that a witness did perjure himself at trial, the Court need not find the evidence "would probably" produce a different verdict, but may grant a new trial in the interests of justice on a finding that the newly discovered evidence "might" have produced a different verdict.

We do not find perjury, which always includes willfulness, on the part of the witness Hagins at defendant's trial. There is no such thing as negligent perjury. Nor is there any evidence of prosecutorial misconduct, which, if present, would require application of the Silverman standard.

Assuming Hagins' memory of events was faulty, or confused and inconsistent, this certainly does not rise to the level of deliberate lying, or perjury, at either trial. Furthermore, the checks, the monthly statement and the Hechal Shalom check stubs were all available at Ron's trial. The check stubs and related documents show that only two checks were drawn to Joseph Hagins on the Hechal Shalom account, and clear up any confusion. Mr. Hagins testimony may have been murky concerning the checks, but he was certain that he met Ron before Lester left for Canada on November 13th. Ample opportunity was given

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for cross-examination to clarify the matter. As was held in

Bronston v. United States, 409 U.S. 352, 358-359 (1972):

"Under the pressures and tensions of interrogation, it is not uncommon for the most earnest witnesses to give answers that are not entirely responsive.... It is the responsibility of the lawyer to probe; testimonial interrogation, and cross-examination in particular, is a probing, prying, pressing form of inquiry. If a witness evades, it is the lawyer's responsibility to recognize the evasion and to bring the witness back to the mark, to flush out the whole truth with the tools of adversary examination."

The subsequent testimony of Mr. Lester and his alleged unavailability to testify for Ron, also fails to provide a basis for granting Mr. Ron a new trial.

Lester testified at his own trial that he had never met Hagins. He claimed that he purchased the Leasco stock from Mr. Max Kaufman of Miami, and that it was not stolen. According to a statement made to the FBI (Court Ex. 6) by Lester on January 21, 1970, Lester said he "would be able to furnish information...as to the person who stole [the Leasco warrants] from Goodbody" but declined to do so unless he received immunity from prosecution. In a letter to Ron from Lester in jail in Canada dated December 10, 1969 and marked "Religious Mail-Privileged" Lester advised Ron not to answer any questions for the FBI and told Ron that if he did,

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"you will convict yourself."

The detailed account Mr. Lester gave at his trial of how and from whom he obtained the Leasco warrants is substantially the same as the account he gave in his October 27, 1970 deposition in the Canadian civil case brought against him by Goodbody. Ron knew Lester was imprisoned in Canada, as is shown by a copy of letter from Lester to Ron from the Toronto jail (see attachment to Affidavit of Bart M. Schwartz, Esq., sworn to July 1, 1974). This letter also contains statements which, although merely conclusory, might be regarded as exculpatory of Ron.

No attempt was made to secure Lester's testimony. When the deposition taken in the Canadian civil suit was introduced at the trial (Court Ex. 5), no motions were made for a severance, or a continuance to permit deposing Lester. This should not be characterized as showing lack of diligence. Rather, it appears most likely that defendant Ron, for obvious tactical reasons, previously noted, would not have called Lester if he had been available.

Lester was a convicted felon who was so mendacious that he denied his own convictions when confronted with documentary evidence thereof at his own trial. His prior Canadian testimony was contradicted by many of the same

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witnesses and documents presented at Ron's trial. Lester was convicted in Canada on charges arising from the sale of the same stolen Leasco warrants involved in this case. True, he was acquitted later in New York. Nevertheless, a decision, not to seek the assistance of such a witness was a reasonable tactical choice at the time it was made. The jury's verdict in Ron's case may not be disturbed now if hindsight makes that tactical choice seem less appealing.

The Rule 33 motion is denied.

SO ORDERED.

Dated: New York, New York
November 18, 1974

Charles L. Briant, Jr.
CHARLES L. BRIANT, JR., U.S.D.J.

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FOOTNOTES

1. Sale of these particular warrants was non-taxable and placing the stamp on the certificates was unnecessary, but Lester and his conspirators did not know this.

2. That check, Exhibit 34, was dated November 3, 1969, and was drawn on the account of Hechal Shalom, Inc., an entity controlled by Ron which had its account at Israel Bank and Trust Company of New York.

3. The following account is corroborated by the testimony of a number of disinterested witnesses. Mr. Levine testified to the meeting on October 29, 1969 with Mr. Beck. Mr. Howe of Rawson Trust testified to conversations with Mr. Beck and to the receipt and transmittal of confirming letters and cables relating to the opening of the account, the sale arrangements and the dates on which the funds were transferred. Mr. Marsland of Chase Manhattan Bank in New York testified to the opening of an account for Rawson, to the receipt of \$305,441.79, the proceeds of the sale of the Leasco warrants from Hayden Stone on November 7th and the transmittal of those funds to Canada on November 10, 1969. Zegras' testimony places Ron, Beck and Lester at Franklin National. Mr. Cordon of the Bank of

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Montreal corroborated the exchange of checks. And there was more.

4. Supreme Court of Ontario Writ No. 6083/69, entitled Harold P. Goodbody, on behalf of himself and all other partners of Goodbody & Co. v. Bank of Montreal, Royal Bank of Canada and Emanuel Lester, also known as Michael C. Van Beuren.

5. There is reason to believe that Ron was also at the Belmont Plaza Hotel at the same time as Lester and in company with him there. See Government Ex. 39. While this exhibit may be entitled to slight weight, it is circumstantial evidence, taken with the fact that Ron was able to give Hagins the then current alias of Lester and directions as to how he might reach Lester at the Belmont Plaza, from which a trier of fact might infer Ron's presence with Lester at the hotel in furtherance of the conspiracy. Lester's presence at that hotel is corroborated by Ruffin, who spent the night there with him. Even assuming, as Ron now contends, that he had never actually met Hagins before November 13th, there is clear documentary evidence that Ron's alter ego, Hechal Shalom, paid Hagins \$4,600 and \$5,000 by checks signed by Ron himself dated November 3rd and 7th, respectively. (See Government Ex. 34 and 35) The genuineness of Ron's signature to these checks has never been disputed. These

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payments represent particularly damning pieces of circumstantial evidence with which the trier of the facts might complete the jigsaw puzzle.

AFFIDAVIT OF AHARON RON IN SUPPORT
OF MOTION FOR A NEW TRIAL
UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

-----x

THE UNITED STATES OF AMERICA,	:	
	:	72 Cr. 216
Plaintiff,	:	
	:	<u>AFFIDAVIT</u>
-against-	:	
	:	
AHARON RON,	:	
	:	
Defendant.	:	

-----x

STATE OF NEW YORK)
 : ss.:
COUNTY OF NEW YORK)

AHARON RON, being duly sworn, deposes and says as follows:

1. I am the defendant in this proceeding, and I submit this affidavit in support of my motion for a new trial or for a reduction of sentence.
2. I am entirely innocent of each and every crime with which I have been charged and for which I have been convicted in this proceeding.
3. I did not know, and I do not know to this day, that the warrants involved in this proceeding were stolen.
4. I never met or spoke to Joseph Hagins, the man who testified against me at my trial, until several days after Manny Lester had been arrested. At that time, Hagins came to my apartment and

AFFIDAVIT OF AHARON RON IN SUPPORT
OF MOTION FOR A NEW TRIAL

showed me a check I had signed and left with Manny Lester at least two weeks before. I had at Lester's request left the name of the payee blank, and Hagins' name had subsequently been filled in as the payee. He demanded the amount for which the check was made out, and he refused to leave until I had agreed to go with him to my bank, the First Israel Bank and Trust Company at 39th Street and Broadway, to get cash in the amount of the check to turn over to him. The check was for \$4,600. My attorney, Stanley Geller, tells me it was Government Exhibit 34 at my trial.

5. Hagins thereafter visited me several times in my apartment. He told me that he was a jeweler, and he spoke to Lester solely as someone to whom he had sold jewelry. He also sold me some jewelry for my wife. He was able to testify at my trial about my business ventures because I had told him about them, and because, without my knowledge or consent, he had taken various documents belonging to me from my apartment. He was able to testify about my association with Lester because I had told him about that association as well, but I had not described it in terms of the warrants involved in this proceeding, which were of no consequence to me whatsoever. I had spoken to him of entirely different and far more valuable property in which I was associated with Lester, and Hagins later used what I had told him about that other property as if I had been talking about the warrants.

6. I refer to the cemetery in New Jersey in which, this Court will remember, I had an interest with Louis Beck and others. We were interested in selling the cemetery, which contained 200,000 unused burial plots, and was A-48 rge and very valuable. My attorney

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at that time, Morris Somers, who was also Lester's attorney at the time, introduced me to Lester as someone who might be helpful in arranging a sale of the cemetery. Somers said that Lester was an excellent promoter and a man with many rich friends and business associates. I talked to Lester about the cemetery, and he assured me that he could find a buyer for it. He took me to several prospective buyers, including a big company with offices on 56th Street between Fifth and Sixth Avenues. That company's president indicated that they were prepared to pay \$35 million for the cemetery, \$5 to 7 million in cash and the balance in securities of the company. (It should be understood that a single burial plot sells for \$300, and there were 200,000 plots in this cemetery.) Lester's commission would have been 10% of that amount. When, therefore, he asked me if I would advance him some small part of his commission, I readily agreed to do so. He asked me to make the advance in more than one check and to leave the name of the payee blank on each check because, as he explained to me, he intended to use my checks to pay various people to whom he owed money. Two of those checks apparently found their way to Hagins. I have already referred to the first check, which was for \$4,600, and which, when deposited, was returned for insufficient funds. That was the check that was brought to me by Hagins, after Lester's arrest, which, I repeat, was the first time I met him.

7. The other check was brought back to me also, but by Lester, not by Hagins. Several days before his arrest, Lester called me to say that he had tried to cash one of the checks I had given to him at my bank, the First Israel A-49 and Trust Company of New York, but the teller had told him that there were insufficient funds in my check-

AFFIDAVIT OF AHARON RON IN SUPPORT
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ing account. I arranged to meet Lester at my bank that afternoon, and, since the bank was holding securities of mine greater in value than the check I had given Lester, I arranged to cover the check. While at the bank, at Lester's request, I also endorsed the back of the check "OK for cash." Mr. Geller tells me that I did so below the signature of Joseph Hagins, and, if he says so, I am sure it is true, but Hagins was not present when I signed that check either on the front or on the back. (Mr. Geller tells me that this second check was Government Exhibit 35 at my trial.)

8. I told all of these facts to my attorney at my trial, Joseph Stone, and I asked him several times if I could take the witness stand to testify to them, but he said that it would be better for my case if I did not testify, and I can see why. At my trial, the Court will remember, Hagins testified that the first check of mine he had received was for \$5,000, and that it was when that check had "bounced" he had come to see me, for the first time, in order to get the check for \$4,600. The Government, however, did not produce the "first" check at my trial, so that there was no way of proving when Hagins saw me for the first time. At Lester's trial, however, Hagins corrected his story. He identified the check for \$4,600 as the first check of mine he had received, and testified that it was the check that had "bounced." Moreover, the Government had produced the check for \$4,600 at my trial, and it did so again at Lester's trial. Mr. Geller now tells me that there is documentary proof of what I have been saying to my attorneys right along A-50 to anybody else who would listen to me. He says that the check for \$4,600 shows on its back that it

AFFIDAVIT OF AHARON RON IN SUPPORT
OF MOTION FOR A NEW TRIAL

was not returned by the bank where it was deposited, the Merchants Bank of New York, until several days after Lester had been arrested, which was when it was brought to me by Hagins, and I met Hagins for the first time.

9. Mr. Geller tells me that Lester's testimony at his trial shows that in many other ways Hagins' testimony, particularly his testimony at my trial, was false, but I did not have the benefit of Lester's testimony at my trial because he was not tried with me, and I can vouch for the fact that he was not willing to testify for me or anybody else until his own trial took place. I visited Lester after he had been brought to this country from Canada and was awaiting trial in the Federal Detention Headquarters on West Street where I am now. Although I pleaded with Lester at that time to help me and Mr. Geller gather together information to support a motion for a new trial for me, he refused to say anything more to me then than that he intended to testify at his own trial and that, when he did so, his testimony would show that I was innocent.

10. I can add little more to what Mr. Geller has said on my behalf in his affidavit, except in two respects. This Court will remember that at my trial the Government insisted that I had lived for a period of time with Lester at the Belmont Plaza Hotel in this City because they had found a registration at the hotel in the name of "Rhone," which, of course, is not my name. Mr. Geller tells me that at Lester's trial, Lester explained who Rhone was. I can only add my sworn word that I never lived or registered A-51 with Lester or any other person register for me, at the Belmont Plaza Hotel. During the entire period

AFFIDAVIT OF AHARON RON IN SUPPORT
OF MOTION FOR A NEW TRIAL

of time of my association with Lester, I lived elsewhere with my wife, who was then living in this City.


11. It was to see my wife and my four sons, and particularly my newborn son, that I recently went to Israel, where they are now living. It is difficult to explain to this Court how anxious I was to see them, and how desperate they were for the sight of me. My oldest son is four years old. The next oldest is three years old. The next oldest is 1-1/2 years old, and the youngest was born at the end of last month, April, 1974. My wife called me from Jerusalem just before the birth of our youngest son to tell me that she and our three other sons were sick and that two of our sons had been taken to the hospital. It turned out that one of the boys taken to the hospital had bronchial pneumonia. He was kept there until he recovered. The other boy was sent home from the hospital with bronchitis. My wife and the third boy were also stricken with a similar disease. My wife was then nine months' pregnant and panic-stricken at the thought of having to go to the hospital to give birth to a fourth child while the other three were sick, and their father was thousands of miles away. That is the reason why, when I could not raise the additional cash bail fixed by this Court as a condition of my going to Israel, I went anyway. I think it will be clear to the Court that I meant no disrespect. I understand that bail is necessary to secure the return to court of a defendant in a criminal proceeding, and I never for one moment had any thought other than to return to this Court whatever the consequence of doing so would be.

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12. I came back from Israel as soon as I decently could after my youngest son was born. In my religion, the circumcision of

AFFIDAVIT OF AHARON RON IN SUPPORT
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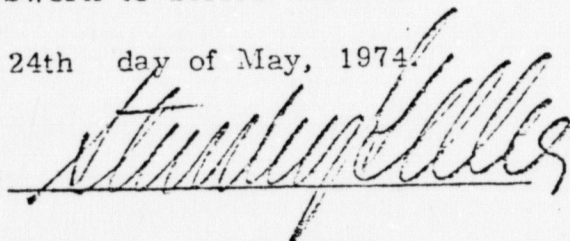
a male child is an important event, regulated by special rules. It may not take place until the eighth day after birth. I returned to this country on the ninth day after my son's birth. I came back knowing that I faced a ten-year jail sentence if this application failed, but I came back nevertheless because I know in my heart and mind that I am innocent and I have faith that before this Court I will ultimately be found to be so.



AHARON RON

Sworn to before me this

24th day of May, 1974.



STANLEY GELLER
Notary Public, State of New York
No. 31-6484885
Qualified in New York County
Commission Expires March 30, 1974

Q What happened when you got to the bar?

A We discussed the problem.

Q All right. Now try to tell us in substance what was said, who said it.

A In substance, I explained what Mr. Lester had told me about the fact that selling this large a group of warrants at one time would depress the price and that he needed additional time in order to maintain the price that was agreed on at the time that we indicated we would sell these things.

Q And who responded to that, tell us, if anybody, and tell us what the person said who responded.

A Well, it was a general agreement, really.

Q Who spoke other than yourself.

A Mr. Garner, Mr. Champion.

Q Mr. Lee?

A I don't believe so.

Q Was Mr. Smith present for this meeting?

A Yes, he was.

Q Was he a party to the conversation?

A No, he wasn't.

Q Now, some time after this, Mr. Hagins, did you receive a check from Mr. Lester?

A Yes, I did.

Q Can you tell us approximately when that was after this time you had gone to this Brooklyn bar and spoken to Mr. Champion and Mr. Garner?

A This was approximately a week after this.

Q Where was it that you received this check from him?

A At his motel.

Q Which one?

A Midtown Motel.

Q Who was present?

A Myself and Mr. Lester.

Q What time of day?

A In the afternoon.

Q Can you tell us what conversation you had about this check?

A Yes, I can.

Q What was that?

A That Mr. Lester seemed to be, he was having some problems getting the cash as per his agreement, and that I told him that I was going to get a considerable amount of pressure when this money was due, and this check was offered to me as a means of kind of like placating the individuals by making, you know, small gestures.

Q Can you describe the check?

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Hagins-direct

2 A It was a check drawn on Hechal Shalom.

3 Q Can you spell that as best you remember how to
4 spell it?

5 A E-e-c-k-a-l S-h-o-l-o-m, something like
6 that.

7 Q What was the amount?

8 A Approximately \$3000.

9 Q Did you have a discussion with Mr. Lester about
10 Hechal Shalom, what that was?

11 A Yes, I did.

12 Q Tell us what that conversation was.

13 A He explained to me that it was a Founding Home
14 in Israel that was being sponsored by Mr. Ron.

15 Q Did he explain to you who Mr. Ron was?

16 A Yes, he did.

17 Q What did he say?

18 A He said that Mr. Ron was an individual that was
19 backing him in this venture and that I could contact him
20 if I needed to contact Mannie.

21 Q Did he say what he was giving Mr. Ron in return
22 for his backing?

23 A Not at that time, no.

24 Q Now, what did you do with the check?

25 A I took the check to an individual that I was

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Hagins-direct

familiar with on 46th Street.

Q Was this the same day you had received it?

A Yes, it was.

Q Where on 46th Street did you go?

A The Jewelry Diamond Center.

Q What happened?

A I cashed the check.

Q Do you remember how much cash you received?

A I discounted the check, and I received the difference between the discounted value and the \$5000.

MR. RAICHLE: I just can't hear him.

THE COURT: Would you read back the answer, please.

(Answer read.)

Q You mean the difference between the discount and the \$5000, you received the discounted value back?

A That's right.

Q Do you remember how much that was?

A Approximately \$4600.

Q Now, did there come a time when you received a call from this man with whom you had cashed the check?

A Yes, there did.

Q When was that in relation to the time you cashed the check?

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Hagins-direct

A The next day.

Q Did you have a conversation with that man?

A Yes, I did.

Q And as a result of that conversation did you have occasion to go see Mr. Ron?

A Yes, I did.

Q Where did you go?

A East 46th Street.

Q Do you remember the number?

A No, I don't.

Q What day was this roughly in relation to the day you had received the check from Lester?

A Two days.

Q And what time of day was it that you went to Mr. Ron's place on East 46th Street?

A I don't recall.

Q Was it night or was it light outside?

A During the day.

Q Now, did you get to Mr. Ron's residence that day?

A Yes, I did.

Q Was it in an apartment building or was it in a brownstone?

A Apartment building.

2 Q What floor, do you remember?
3 A Not offhand, no, I don't.
4 Q Was it the bottom floor?
5 A No, it wasn't.
6 Q Did you meet Mr. Ron then?
7 A Yes, I did.
8 Q Was anybody else there when you met Mr. Ron?
9 A There was a young lady present.
10 Q Was this the first time you had met Mr. Ron?
11 A Yes, it was.
12 Q Do you know the young lady's name?
13 A Sara.
14 Q Approximately how old was she?
15 A I don't know, she was about 25, I guess.
16 Q Did you introduce yourself to Mr. Ron?
17 A Yes, I did.
18 Q Did you have a conversation with him about this
19 check?
20 A Yes, we did.
21 Q Tell us what you said, in substance, to Mr.
22 Ron and what Mr. Ron said to you.
23 A I told him that the check bounced, it was no
24 good, and he told me that the check was good, that he would
25 take me to his bank and he would prove it.

Q Did you have a conversation in English?

A Yes.

Q Did you later that week have other conversations with Mr. Ron?

A Yes, I did.

Q Is it fair to say you had a great deal of conversations with Mr. Ron?

A Yes, it is.

Q Were all those conversations in English?

A It is the only language I speak.

Q That was the language you spoke in when you spoke with Mr. Ron, is that right?

A That's right.

Q When he said he would take you to his bank, did you agree to go to his bank?

A Yes.

Q Do you remember where that bank was?

A 39th Street and Seventh Avenue.

Q What was the name of it?

A It is the Israeli Discount.

Q What happened there?

A He wrote me another check, and as I recall, he was able to get the cash for the original check. I had to replace the money that I had received from the individual

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on 46th Street.

MR. HOROWITZ: Mark this Government Exhibit

34.

(Government Exhibit 34 was marked for identification.)

MR. HOROWITZ: Government Exhibit 35.

(Government Exhibit 35 was marked for identification.)

Q I show you a check which has been marked for identification purposes Government Exhibit 34. Can you examine that, the front and the back of it, and then tell us whether you recognize it?

A Yes.

Q How are you able to recognize it?

A It has got my signature on it.

Q On the back?

A Right.

Q Is this one of the checks which you received from Mr. Ron as you have testified?

A Yes, it is.

Q By the way, the name Hechal Shalom is that the same as Hershel Shalom, Inc., which is on the check?

A Yes, it is.

MR. HOROWITZ: Government offers --

THE COURT: Is that claimed to be the first check or the second check?

MR. HOROWITZ: That is something we will have to straighten out, your Honor.

MR. STONE: May I see it, please. I would object, it is not an original document.

MR. HOROWITZ: Agreed, it is from the microfilm, and I will withdraw the offer until we produce the First Israel person.

MR. STONE: I withdraw my objection then if he withdraws his offer.

THE COURT: He is withdrawing it subject to his renewing his offer later on.

All right.

Q Government Exhibit 35 for identification, do you recognize that by examining the front and back of it?

A Yes, I do.

Q How do you recognize it?

A It was made out to me and I signed it.

Q Was this given to you by Mr. Ron as well?

A Yes, it was.

Q Placing 34 and 35 before you, can you tell us which of those you received first?

MR. STONE: I would object unless the original

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Hagins-direct

documents are here.

THE COURT: I am not accepting them in evidence, but I will permit him to identify the microfilm.

A The check for \$4600 is the --

THE COURT: Just give the number of it, if you would, the exhibit number, the little red number.

A Number 34 is the amount that was drawn to --

MR. STONE: Objection, your Honor, to his characterization of what it is.

THE COURT: The only question is which of them you received first in time. Isn't that the question?

THE WITNESS: I received both of them at the same time.

Q You received both of these at the same time?

A Right.

Q And the one which is 34 for identification, the one which is in the amount of \$4600, what was that drawn for in that amount?

A That was drawn to replace the amount of money that I had received from the individual that cashed it, the original check.

Q Were both of these checks cashed that same day?

A Yes, they were.

Q Did you receive the cash?

A Yes, I did.

Q One of those checks, Government Exhibit 35, bears the date November 7, 1969, and the other bears the date November 3, 1969.

MR. STONE: I object.

THE COURT: It is objectionable. The documents aren't received in evidence and you are in effect reading from them.

MR. HOROWITZ: That is true, your Honor, but I believe Mr. Stone realizes they will be in evidence shortly.

MR. STONE: I don't want you to testify.

MR. HOROWITZ: If Mr. Stone wants me to put the man from First Israel on the stand and put Mr. Hagins back, we can do that. They are microfilms.

THE COURT: You may have to do that if the objection is not withdrawn.

MR. STONE: If Mr. Horowitz will make a representation that the originals will come into this courtroom and they will be properly identified by the bank official, then I will permit this questioning, on that representation.

THE COURT: All right.

MR. HOROWITZ: The microfilm will come in. The man from First Israel will come in and say these come from

his microfilms.

THE COURT: You will show what happened, if anything, to the originals, or at least that he doesn't have them, is that correct?

MR. HOROWITZ: These are checks drawn on the Eechal Shalom, so the original doesn't go back to the bank, they go back to Eechal Shalom, presumably. I think Mr. Stone understands that.

THE COURT: Very well. Let me see that.

I think you had best go on to something else and I will take this matter up with you later when the jury isn't here.

MR. HOROWITZ: Just let me put one question. Let me go on to something else and I will return to that.

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something like that.

Q Let me get to the subject of cashing some checks. As I understood your direct examination, you say that the rabbi went to a bank, Bank of Israel, and you went with him, and some checks were cashed?

A That's correct.

Q Prior to that time he had given you a check which you cashed at a discount somewhere, is that right?

A That's right.

Q Where did you cash the check at a discount?

A The diamond center, 46th Street.

Q On what date?

A I believe it was on the 12th.

Q Who did you speak to at this discount place?

A An individual named Mordecai.

Q What is his first name?

A That's all I know him as, Mordecai.

Q How long have you known him?

A Two, three years.

Q Does this place have something to do with jewelry?

A Yes, it does.

Q What is the name of it again?

A The diamond center.

Q Diamond center?

jhal8

Hagins-cross

2 A Yes.

3 Q Is it a check-cashing place?

4 A No, it is not.

5 Q How much do you say you got on the check?

6 A \$4600.

7 Q Was there some reason you didn't go to the
8 bank on which the check was drawn and cash it?

9 A No. I just happened to be in that area and I
10 needed the money, so I cashed it.

11 Q On what bank was that check drawn?

12 A I am not sure.

13 Q You don't know whether the bank on which the
14 check was drawn was just as near as the diamond center,
15 do you?

16 A Well, I knew that if I went there and tried to
17 cash a \$4600 check I couldn't get it because I am black.

18 Q Was this diamond center place presided over by
19 a black person?

20 A No, but by people who knew me.

21 Q Are you still in the jewelry business?

22 A No, not really.

23 Q You have used that expression "not really" two
24 or three times. What do you mean by that, not really?

25 A I am not active in it.

2 Q Do you own a store?

3 A No, I don't. I am still a gemologist, though.

4 Q What is that?

5 A That's someone who is trained to identify and
6 classify and grade gem stones.

7 Q After the check that you were talking about
8 bounced then you went with the rabbi to the Bank of Israel
9 and cashed two checks, is that right?

10 A That's correct.

11 Q Exactly what did you do with the proceeds?

12 A Well, the proceeds of one check I gave back to
13 the individual that the check bounced on.

14 Q What did you give him, 4600?

15 A That's right.

16 Q Or did you give him 5?

17 A I gave him 4600.

18 Q Then what did you do with the rest?

19 A The rest of it was used over a period of time
20 to defray expenses that I was incurring.

21 Q You kept it for yourself?

22 A No, I did not.

23 Q I mean you used it for yourself, you say?

24 A I used it in partial payments to some of the
25 individuals that were involved in this thing with me.

Q Did you use it for expenses of your home and living and so on?

A No, I didn't.

Q What do you claim you did with the amount above the 4600 out of this \$10,000 aggregate of the two checks?

A What do I claim I did with it?

Q What?

A Repeat your question, please.

Q What did you do with the balance of the cash above the \$4600?

A Some of it was given to Mr. Garner, some --

Q How much to Mr. Garner?

A I don't recall. It was over a period of time.

Q Who else did you give some to?

A Some was given to the individuals who were following Mr. Lester around.

Q Did you give some to Mr. Lester?

A No, I didn't.

Q What are you doing now? What is your livelihood?

A A systems analyst salesman.

Q What is the name of the concern by which you are employed?

A Garden State Business Systems.

Q How long have you been working there?

not completely useless.

Q Now, you physically went to Ron's apartment to ask him for money, is that correct?

A No, I physically went to his apartment to take the money.

Q To take the money?

A Take money to him.

Q But he gave you a check for \$4600, is that right?
Or \$5000?

A Not at his apartment, no.

Q But he gave you that money, a check?

A At the bank, yes.

Q And was your name written on the face of the check?

A Yes, it was.

Q And who wrote your name on the face of the check, if you know?

A I wrote my name on the face of the check.

Q And how many checks did you write your name on the face of?

A I believe two.

Q Did you write them both in a similar style?

A Yes, I did.

Q And those were the only two checks that Ron ever

1
2 gave you, is that correct?

3 A No, that is not true.

4 Q He gave you more checks?

5 A He did give me a check for \$1400 at one time.
6 which was no good.

7 Q It bounced?

8 A That's right.

9 Q But of course, you made your physical presence
10 known to Mr. Ron, did you not?

11 MR. MOROWITZ: Objection. I don't know what
12 that means, when or where.

13 THE COURT: If he doesn't --

14 MR. STONE: I will rephrase it. I will withdraw
15 it.

16 Q After the check bounced, the \$1400, you were not
17 very happy about it, were you?

18 A No, I knew the check was no good.

19 Q But you took it anyway, yes or no?

20 A The check was part of a --

21 Q No, did you take the check, knowing it was no good?

22 A Yes, I did.
23
24
25

Q And when it bounced, were you happy?

A No, I wasn't happy about it.

Q Were you satisfied?

A No, I wasn't satisfied.

Q It didn't matter to you one way or the other.

A It mattered, but I wasn't happy or satisfied.

Q After you found out it bounced did you physically advise Mr. Ron of this fact? Now, by "physically," did you go in front of him and say, "Mr. Ron, the check bounced"?

A No, I did not.

Q Did you call him on the telephone?

A Yes, I did.

Q Did you tell him to please make the check good?

A No, I didn't.

Q Did you tell him to make it good at all without using the word "please"?

A No, I didn't.

Q Did you tell him that you would like to get the \$1400 that this check represented?

A If I can explain to you what the check represented, then maybe you will understand that I wasn't trying to pressure him for that money.

1 jka2

Hagins-cross

2 Q You weren't trying to pressure him at all,
3 is that right?

4 A No.

5 Q It didn't matter to you one way or the other?

6 A That is not what I said. If you want me to
7 explain to you I will explain to you about the check.

8 Q Well, let me --

9 THE COURT: I don't think he wants you to
10 explain.

11 A I would like to explain. He keeps asking
12 questions about it.

13 THE COURT: You will be asked on redirect
14 examination what the purpose of the check was, when Mr.
15 Horowitz gets his chance to examine you on redirect.

16 Q On the \$4600 check, did that bounce?

17 A No, that was negotiated at the bank. It
18 didn't have a chance to bounce.

19 Q Didn't have a chance. Well, the \$5000 check,
20 did that bounce?

21 A No, it did not.

22 Q Did any other check that Ron ever gave you
23 other than the \$1400 check bounce?

24 A As I recall, the first check that he gave me
25 bounced.

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Hagins-cross

Q In what amount was that?

A \$5000, and that wasn't given to me by Pon.

It was given to me by Lester.

Q But it had your name on it or --

A I don't recall.

Q Please tell me the amounts of the checks that Pon gave you, starting from the first check -- I am talking only of the checks with your name on.

A A \$4600 check, a \$5000 check, a \$1400 check.

Q Those are the only three checks that Pon ever gave you?

THE COURT: Are you including in there the check that he says Lester gave him?

MR. STONE: I will add that.

Q Is that included -- do those three checks include the check that Lester gave you?

A No.

Q How much was the check that Lester gave you?

A Five thousand.

Q In whose name was that?

A I don't recall.

Q You don't know whether Pon had signed that check or not, do you?

A It was on his account.

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2 Q And the \$5000 check that lester gave you, did
3 that bounce?

4 A Yes, it did.

5 Q Do you remember the day of that check?

6 A It's around the 1st of November.

7 Q Was that before the \$4600 check or after?

8 A Yes, it was, it was prior to the \$4600 check.

9 Q That was the one that was written by Lester
10 and given to you, is that correct?

11 MR. HOROWITZ: Objection.

12 A No, it wasn't.

13 MR. HOROWITZ: No such testimony.

14 Q Who wrote the name Joseph Hagins on that check?

15 A Can I see the check?

16 Q I haven't got it.

17 A Then I can't tell you.

18 Q All right. But you wrote the check on --
19 your name on two checks, is that correct?

20 A Mr. Ron said he had some difficulty spelling
21 my name.

22 Q That was on two occasions?

23 A In the bank.

24 Q Was that a \$4600 check and a \$5000 check?

25 A That is correct.

jka5

Hagins-cross

Q Do you remember what day that was?

A I believe it was the first week in November,
first week in November.

Q Was that after Lester had already given you a
\$5000 check?

A Yes, it was.

Q You testified, did you not, about some other
security transaction you had concerning stolen treasury
notes and mail fraud?

A Testified to do?

Q Well, to the other four gentlemen that ques-
tioned you; you answered different questions, did you not?

A I have answered quite a few questions in the
last two days.

Q And you testified yesterday, did you not,
that there came a time in your life when you handled some
counterfeit bonds and you did not know they were counterfeit,
is that correct?

A That is true.

Q And you testified in court that you handled a
\$100,000 treasury bill and you didn't know that was stolen,
is that true?

A I didn't know it was stolen at first, no.

Q You didn't know it was stolen when you pledged

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2 it for a loan, is that correct?

3 A That is true, I didn't know.

4 MR. HOROWITZ: What was that?

5 THE COURT: He did not, he says, when he
6 pledged it.

7 Q So there is nothing on the face of a treasury
8 bill that will tell you whether it is stolen or not, is
9 that correct?

10 A I checked it out. The numbers had been
11 altered by a very good means of number changing, and the
12 individual that I checked the bill said the bill, as far
13 as he was concerned, wasn't listed as stolen.

14 Q So you did the best you could to ascertain
15 that it was not stolen, is that correct?

16 A That is true.

17 Q And that is, of course, what every human
18 being would normally do, is that correct?

19 A I believe so, yes.

20 Q Now, in the course of your buying and selling
21 or dealing with counterfeit securities and with treasury
22 bills, did you ever pay for any of these items with a
23 check?

24 A With a check?

25 Q A check.

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THE COURT: I think the question should be restricted to those he testified about in this case. I don't know what he bought 10 years ago.

MR. STONE: I will rephrase it.

Q You are talking about the counterfeit bills that were bought and sold. Was any payment made toward the purchase of those counterfeit bills and was the payment made in check?

A Well, in order to get the treasury note there was a check transferred, right.

Q Did you pay for your share of the treasury bill by check?

A Partially, yes.

Q And partially in cash?

A Right.

Q Would you tell us what the breakdown was?

A \$7000 by check, the balance in cash, at the time the treasury bill was negotiated.

Q In other words, \$33,000 in cash?

A Around that figure, yes.

MR. STONE: May I have a chance to inquire of Mr. Ron if there are any other questions?

THE COURT: Oh, yes, certainly.

Do you have any work to do, Mr. Gold?

Just yes or no, if you will.

MR. GOLD: Just a question or two based on something that's been brought out by Mr. Stone.

THE COURT: I don't think so, unless there is something of a particularly important nature. I am referring to the most recently produced exhibits.

MR. GOLD: May I confer just briefly with Mr. Sprizzo?

THE COURT: All right.

(Pause.)

MR. GOLD: Sir, I do not have any questions based on those documents.

THE COURT: All right.

(Pause.)

BY MR. STONE:

Q Mr. Hagins, after the \$5000 check bounced did you ever threaten Mr. Lester or Mr. Ron?

A Never.

Q Were you happy with the fact that that \$5000 check bounced?

A No, I was not.

Q Were you particularly unhappy with the fact that that \$5000 check bounced?

A Well, I think anybody would be unhappy if a

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Hagins-cross

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\$5000 check bounced.

Q And were you so unhappy that you would testify
falsely against Mr. Ron?

A No, I would not.

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CURT REPORTERS
JUST HOUSE
TELEPHONE: CORTLAND 7-4580

1 jh-1

Hagins-cross

2 Q Did you absorb that loss or was that loss made
3 up to you, the \$50000?

4 A Mr. Ron made up the difference.

5 Q When you physically took him to the bank,
6 is that correct?

7 A I drove him to the bank in my car.

8 MR. STONE: No further questions.

9 MR. HOROWITZ: I have some questions.

10 THE COURT: Will it be very long? I am
11 not cutting you off, but I have to schedule the day.

12 MR. HOROWITZ: I don't think I will be
13 very long and I would like Mr. Hagins to be through today.

14 THE COURT: So would we all.

15 MR. HOROWITZ: Let me estimate it this way,
16 your Honor: I think it is going to take probably
17 at least 20 minutes, but I would request that we do
18 that. I don't know what your Honor's schedule is for
19 today.

20 THE COURT: There is no use going into my
21 schedule. I will sit until 4:30. There is a meeting
22 of the Individual Assignment Committee at 4:15 and I will
23 simply have to miss the meeting, that's all.

24

25

1 A No, I don't.

2 Q Is that the substance of the conversation, as you
3 can recall it, on that topic?

4 A Yes, it is.

5 Q Did there come a time when you received a payment
6 from anybody?

7 A I called Mr. Lester, I was calling Mr. Lester quite
8 often at his hotel, and this was to set up the first payment
9 of the \$50,000.

10 THE COURT: Tell us when that was.

11 MR. LESTER: Can I find out what the hotel is?

12 THE COURT: You can find it out when you ask the
13 question.

14 Q Did there come a time when you actually received
15 something from somebody? The answer to that is either yes
16 or no.

17 A Yes.

18 Q From whom did you receive something?

19 A I received a check from Mr. Lester.

20 Q With respect to the last meeting you told us
21 about, that is, the one at the bar and grill, approximately
22 when was that after the meeting broke?

23 A Within a few days.

24 Q From whom did you receive the something that

you received?

A I received a check for approximately \$5,000 from Mr. Lester.

O Would you mark this please, Government's Exhibit 34, for identification.

(Government's Exhibit 34 marked for identification.)

MR. VALERIE: Will you mark this Government's Exhibit 35 for identification.

(Government's Exhibit 35 marked for identification.)

O I show you Government's Exhibit 34 for identification, and ask you if you can identify what that is?

A Yes, that is the check I received.

O That is the check that you received?

A Yes.

O It is a copy of the check you received, is that correct?

A It's a copy.

O Where did you receive the check?

A It was still at the Midtown Motor Inn.

O Tell us about the check which you recall -- don't look at it at this point. You have looked at it before, have you not?

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ENTER
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OUR REPORTERS
AND WITNESSES
TELEPHONE: CANTON 7-4500

1 A Yes.

2 Q Does it refresh your recollection to look at it?

3 A In regard to what?

4 Q To what the description and nature of the check
5 was, the amount, who it is drawn on?

6 A It's drawn to \$4,600.

7 Q Who is the payer, or maker -- let us put it this
8 way:

9 Who is the signer of the check?

10 A Rabbi Ron -- Mr. Ron.

11 Q On whose account is it drawn?

12 A Eechal Shalom.

13 Q And the date of the check?

14 A November 3, 1969.

15 Q Did you receive it at or about the date it was
16 made? Does that help you --

17 A I received the check. I don't know what date
18 it was drawn on but --

19 Q You can look at it.

20 A On the 3rd it was drawn.

21 Q Did you get it, if you recall, the day it was
22 drawn?

23 A Either on that day or the day after, I'm not
24 sure.
25

2 MR. VELLER: Your Honor, perhaps it would save
3 time. The Government represents a following witness will
4 authenticate the copy.

5 THE COURT: All right, Mr. Lester or Mr. Leighton,
6 if you will make a --

7 MR. GOUGHEN: No objection, your Honor.

8 MR. BELMONT: I have none.

9 MR. LEIGHTON: No objection.

10 (Government's Exhibit 34 received in
11 evidence.)

12 BY MR. VELLER:

13 Q Would you examine the back, please, and see if
14 you see your endorsement on it?

15 A Yes.

16 Q At the time you received this check from Mr.
17 Lester, did you have a conversation with him?

18 A Yes. I said that I was being pressured for the
19 money for the first delivery, for the first week, and that
20 I would have to make some payment in order to satisfy the
21 individuals involved. He explained to me that he hasn't
22 received the first payment on the securities as yet, and
23 that he would have to give me the check as a partial payment.

24 Q What happened with respect to this check? What,
25 if anything, did you do with it?

A I cashed the check. A friend of mine in the jewelry business.

Q Was there --

A The check bounced.

Q What did you do then?

A I went to Rabbi Ron.

Q Was this the first time you met him?

A Mr. Lester had given me Mr. Ron's address --

MR. SILBERMAN: Your Honor, I will object to the answer as not responsive.

THE COURT: I think that is correct. The question is, was this the first time you had seen him?

A Yes, it was.

Q How did you come to go to Mr. Ron? Had somebody given you some information?

A Mr. Lester had given me Mr. Ron's address and telephone number as a point of contact, wherever I couldn't reach Mr. Lester I could contact Mr. Ron.

Q You say you went to see Mr. Ron. Tell us what day that was with respect to when you got the check, if you recall?

A It must have been within two days. It takes about that long for a check to bounce.

Q Was it on the date it bounced, if you recall?

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UNIT A-86
FOLEY SQUARE, N.Y.

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COURT HOUSE
TELEPHONE: CORTLANDT 7-4800

h prf 13

Hegins - direct:

A Yes, it was.

Q Where did you go to see Mr. Ron?

A East 46th Street.

Q Did you meet him at that time?

A Yes, I did.

Q Who was present?

MR. LEONARD: Your Honor, I can't hear the witness.

THE COURT: Speak up.

A Mr. Ron and his secretary, Sarah.

Q Did you have a conversation with Mr. Ron at that time?

A I explained to him that Mr. Lester had given me a check which was drawn on his foundation. I explained to him what the payment had been made for and that the check had bounced. He said he would make the check good.

Q What happened then?

A We went down to a bank, Israeli bank, on Seventh Avenue and 39th Street.

Q Who went?

A Myself and Mr. Ron.

Q Was this the same day?

A Yes.

Q What happened?

A Mr. Ron drew another check for \$5,000.

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FOLEY SQUARE, N.Y., N

COURT REPORTERS
COURT HOUSE
TELEPHONE: CANTLANDY 7-4520

Q I show you Government's Exhibit 35 for identification.

Can you tell me what that is?

A It's a copy of the check that was drawn.

Q Is that the check you have just told us about given to you by Mr. Roe?

A A copy, yes.

Q Does your writing appear on there?

A I wrote my name in on the paid line.

Q Did you endorse it?

A Yes.

Q Is that on the reverse?

A Yes.

Q Did you do those things on the date the check was made and dated?

A Yes.

MR. VELIE: I will offer the check. The same representation, your Honor, a business record foundation will be made later.

THE COURT: All right, Mr. Leighton and Mr. Lester, let's move on. If you are going to object, then object.

MR. LESTER: Just one moment, please. I will offer the objection when the original comes in, your Honor.

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COURT REPORTERS
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Engins - direct

THE COURT: All right.

(Government's Exhibit 35 received in evidence.)

Q Will you tell us the date this check was made, please?

A November 7, 1969.

MR. VILSON: Your Honor, if I may, I would like to pass these to the jury at this time.

THE COURT: Yes.

Q Did you obtain the proceeds of the second check, Government's Exhibit 35?

A Yes, I did.

Q Was that at the bank?

A Yes, it was.

Q What did you do with the proceeds?

MR. LESTER: Can he state how much he received, your Honor? It's an important thing, your Honor.

THE COURT: Sit down.

Q What, if anything did you do with the proceeds you received?

A Part of the money I kept to cover the expenses that I had incurred. The balance of it I gave to Mr. Garner.

Q Do you recall when that was?

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FOLEY SQUARE, N.Y., 4

COURT REPORTERS
COURT HOUSE
TELEPHONE: CORTLANDT 7-4800

A Approximately two days after I had given it to the individual that cashed it for me.

Q On the face of it it is dated November 3rd; is that correct?

A Yes, sir.

Q Do you recall what day you gave it to the individual who cashed it for you?

A It was after the 3rd.

Q Excuse me?

A It was either on the 3rd or after the 3rd.

Q Do you recall how close it was to the 3rd?

A No, I don't, sir.

Q How did that individual notify you, by the way?

A Called me on the phone.

Q Let me show you Grand Jury Exhibit No. 35, sir. It is a check --

MR. VELIE: It is a Government's Exhibit in evidence.

MR. GOLDMAN: I am sorry. I know where that came from.

Q It is Government's Exhibit No. 35. It is a check made out from Hachal Shalom to you for \$5,000. On the face of it it says "November 7, 1969." Is that

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NOT COURT REPORTER
125 COURT HOUSE
C/ TELEPHONE: CORTLAND 7-4500

correct, sir?

A Yes, sir.

Q Was that check written to you in your presence?

A I wrote my name in on the check.

Q You say Enkbi Run was the maker of that check;
is that correct?

A Yes, sir.

Q Did he make it out in your presence?

A Yes, sir.

Q Do you remember what date it was?

A On the day the check was dated, yes.

Q It was on the 7th?

A That's correct.

Q That was to make up for the check that had
bounced; is that correct?

A Yes, sir.

Q Did you cash that check directly?

A Yes, at the bank.

Q Do you remember at what bank it was?

A It was the Israeli Bank. I may not have the
name correct. I think it was located on 39th and Seventh
Avenue, and it had something to do with Israeli. Either
Israeli Bank or Israeli Discount Bank.

Q That was on November 7; is that correct, sir?

1
2 A Yes, sir.

3 Q By the way, this check, Government's Exhibit 34,
4 was that ever returned to you by Hordecai?

5 A Yes, it was, sir.

6 Q Do you remember, was that prior to the time
7 you got the check from Rabbi Ron, the \$5,000 check as after-
8 wards?

9 A Yes, I returned that check to Rabbi Ron.

10 Q Prior to the time he wrote out the second check?

11 A At the time that he wrote out the second check.

12 Q So, in other words, sir, the second check was
13 written out on November 7th, according to your testimony,
14 and on that date you returned to him the first check; is
15 that correct?

16 A That's correct.

17 Q Let me ask you to look at the back of this check,
18 sir. Do you see the notation November 12th --

19 MR. VELIE: Exhibit number, please?

20 MR. GOLDMAN: 34, I am sorry.

21 Q -- November 12, 1969, the Merchants Bank? Can
22 you read that, sir?

23 A Yes.

24 Q Read that notation, if you can.

25 A November 12, 1969, yes.

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UNITED A-92
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COURT REPORTERS
COURT HOUSE
TELEPHONE: CORTLAND 7-4500

Q What does it say? Can you read the whole thing on the back of the check?

A All right.

Q Can you read it out loud to the jury, please?

A "Pay to the order of any bank, banker or trust company, November 12, 1969."

Q Do you know enough --

MR. LESTER: I can't hear, your Honor.

THE COURT: Read it to him.

MR. LESTER: Can I sit up closer, your Honor, so I can hear?

MR. GOLDMAN: It says, if I may, for Mr. Lester's benefit, "Pay to the order of any bank, banker or trust company, November 12, 1969. The Merchant's Bank, 62 West 47th Street."

Can you hear me?

MR. LESTER: I can hear you, but I can't hear the witness.

Q Do you have any familiarity with banking practices, sir?

A No, not a great deal.

Q Do you know what this notation with a date on the back of a check means?

A No, I don't.

Q Do you know enough to know that the bank had this check on November 12th?

A I would assume so from that date, sir, yes, sir.

Q So if you assume so, sir, you were mistaken at least as to whether you returned the check and got the second check --

MR. VELIE: I object to that. He does not know what happened after he returned it to Mr. Egan.

THE COURT: That is not even a question. You are making a statement.

MR. GOLDMAN: I withdraw it.

Q Sir, you testified that you saw Mr. Champion again sometime after Mr. Lester's arrest?

A That's correct.

Q Do you recall how close that was to Mr. Lester's arrest?

A No, I don't.

Q By the way, the second meeting in Brooklyn, do you recall what day of the week that was?

A Offhand, no, sir.

Q Do you recall whether it was a weekday or weekend?

A No, I don't.

Q Do you recall whether it was in the morning or

2 Q Did you show it to Mr. Garner?

3 A I don't believe so, no, sir.

4 Q He might have wanted to know if I was an under-
5 cover cop, wouldn't he?

6 THE COURT: Ask your question.

7 MR. LESTER: That's a question, your Honor.

8 THE COURT: That's not an appropriate question.

9 Q Wouldn't he be interested --

10 THE COURT: That's not an appropriate question.

11 Q You testified at a previous -- at the previous
12 trial that the check that I gave you was from a Rabbi Ron,
13 was a \$5000 check; at this trial you now testify it's a
14 \$4600 check.

15 MR. VELIE: May we have that remark stricken?
16 That's no way cross-examination.

17 MR. GOLDMAN: Excuse me, I don't hear Mr.
18 Velie's statement.

19 THE COURT: Mr. Lester, you are required and
20 you ought to be advised not to get matters before the
21 jury that are not before them in the case. It doesn't
22 matter what kind of statement -- you are reading from
23 some statement, some other record. You get the question
24 in terms of this testimony from this record.

Q Did you ever testify before under oath that you gave me a \$5000 check from Rabbi Ron?

A No, sir, I never said that.

Q You never said that?

A That I gave you a \$5000 check to Rabbi Ron?

Q No, that I gave you a \$5000 check.

A That's not what you just asked me.

Q Well, I'm asking you now. Did you previously testify under oath that I gave you a \$5000 check with Rabbi Ron's signature on it?

A Yes, sir, I believe I said that it was approximately \$5000.

Q That was the last trial.

THE COURT: That was the testimony in this trial.

Q Didn't you testify in the last trial that you took this on 46th Street and discounted it for \$400 and received \$4600?

A I may have said that, yes, sir.

Q At the last trial?

A Yes, sir.

Q So at the last trial you got a \$5000 check, you discounted it and received \$4600 in cash?

A There was some confusion on my part as to

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TELEPHONE: 7-4600

1 which check I received and for the exact amount. I know
2 I received two checks, one check being \$4600, and one check
3 being \$5000, as to clear up the payment on the check which
4 had bounced, the original check.
5

6 Q But I only gave you one check, you said?

7 A I received one from you and one from Rabbi Ron,
8 sir.

9 Q I didn't ask you that. I said how many
10 checks did I give you.

11 A One check, sir.

12 Q What was the amount of that check?

13 A As I recall, at the time the check was for
14 \$4600.

15 Q That I gave you?

16 A That's correct.

17 MR. LESTER: Can I see the two exhibits,
18 your Honor?

19 Q If I gave you a check for \$4600, where did you
20 cash that?

21 THE COURT: Excuse me.

22 (Pause)

23 THE COURT: All right, Mr. Lester, I'm sorry.

24 Q Where did you cash the \$4600 check?

25 A I cashed it with a check casher on 47th Street.

Q At a check casher on 47th Street?

A Not an official check cashing establishment but someone who cashes checks.

Q What did he charge you for it?

A One per cent.

Q One per cent?

A Yes.

Q That would be \$46, is that right?

A That's correct.

Q Didn't you previously testify under oath that you paid \$400 in the previous trial?

A I was confused as to the amount of the check, and that's the -- probably the reason I said that because I ended up with about \$4000, \$4500.

MR. SILBERLING: Your Honor, I'm going to move to strike that answer as not responsive. He was asked whether he testified previously whether he had paid \$400 and that's the answer that I think should be in the record.

THE COURT: I think it's responsive, Mr. Silberling. I think it's responsive. I think that a previous question was asked of him and he indicated he might have so testified and gave the reason. This answer is merely shortening it. He said he might have

JURY

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POLY SQUARE, N.

CITY COURT REPORTERS

ALL COURT HOUSE

P TELEPHONE CONTINUED A-980

testified that way at some other time. I think it's very clear.

MR. SILBERLING: Perhaps I do have a difficulty. If the Court understands, he may have said \$400 or he did say on a prior occasion he did pay \$400, your Honor?

MR. VELIE: The record, I'm sure, will speak for itself.

THE COURT: I believe that the answer that was given to the previous question, and in this regard he made the statement that he was confused at the time that he answered. Mr. Lester is, in essence, repeating, almost repeating the same question that he asked previously. And I think his answer is responsive.

In any event, I will deny the motion to strike.

MR. SILBERLING: I just do want, before I leave this, to have it clear. Then there is testimony now from this witness --

MR. VELIE: Your Honor, before a statement is made as to what the testimony is, the jury's recollection controls and it's in the record.

MR. GOLDMAN: Your Honor, may we have this read back? Mr. Velie has made a statement about the record.

THE COURT: He said the record speaks for itself. Mr. Hagins, so we clear the record up, what is your answer to the question? you testified on a previous occasion that you paid \$400 to cash a check?

A On the previous occasion, sir, I felt that I had received a \$5000 check originally.

THE COURT: Did you testify?

A Yes, I did, sir.

MR. SILBERLING: Thank you, your Honor.

Q You previously testified that Rabbi Ron told you that he was my partner or associate?

A Yes, he did, sir.

Q And he told you he was financing me?

A That's correct.

Q Did he say he was financing this Leasco warrants thing?

A He told me that he was financing you, and I believed him because he was paying me money on your direction.

Q On my direction?

A That's correct, sir.

Q I told you that Rabbi Ron was going to pay you money?

A I went to him when the check bounced and he

3a pm chrf 1 Direct

MR. LESTER: No objection.

THE COURT: All right.

(Government's Exhibit 37 received in evidence.)

Q Mr. Ryan, I have also placed before you Exhibits 34 and 35, which are in evidence.

Can you identify what those exhibits are?

A Both are microfilm copies of checks presented for payment against the account of Hechal Shalom.

Q Were those microfilms prepared under your direction?

A Yes, they were.

Q Do they bear the same account number as the account you have just described?

A Yes, they do.

Q Is the microfilm record from which that was taken a record kept by the bank in the course of its business?

A Yes, it is.

Q How much are the two checks made for? How much are they made out for?

A One is for \$4,600, and the other one is for \$5,000.

Q Who are they made payable to?

MR. GOLDMAN: Can he identify which check is which?

SOUTHERN
UNITED

A-101

JOE REPORTERS
JOE HOUSE

FOLIO 3 PAGE 111, 112

DEPOSED, CERTIFIED 7-6-60

1 dhrf 2

Ryan - Direct

2 Q Can you please tell us which check is made out
3 for \$4,600?

4 MR. SILBERLING: By exhibit number, I think.

5 A Exhibit 34 is the one for \$4,600. Exhibit No.
6 35 is for \$5,000.

7 Q Can you read from the exhibit who they are made
8 payable to?

9 A They are made payable to Joseph Hagins.

10 Q Mr. Ryan, what are the dates of the two checks?
11 First the \$4,600 check, Exhibit 34?

12 A November 3, 1969.

13 Q And Exhibit 35, the \$5,000 check?

14 A November 7, 1969.

15 Q Mr. Ryan, using the statement of account which is
16 before you, and you have identified, do you have that exhibit?

17 A Yes, I do.

18 Q What exhibit number is that?

19 A 37.

20 Q Using Exhibit 37, can you identify or trace
21 Exhibit 34, the \$4,600 check which is before you?

22 A Yes. It was paid on November 20, 1969.

23 Q Was it paid at the time it was first deposited?

24 A No, it was not.

25 Q Would you please indicate from the time it was

1 dhr 3

Ryan - direct

2 first deposited what happened to that check according to
3 the records before you?

4 A It was presented to the bank for payment on November
5 6, 1969. At that time the account didn't have a sufficient
6 balance to honor the check; it had been returned insufficient
7 funds.

8 Subsequently redeposited, presented to the bank
9 for payment, on November 20th, and at that time there was
10 sufficient funds and the check was paid.

11 MR. LESTER: Your Honor, could we clarify which
12 check that is?

13 MR. SILBERLING: That's 34.

14 THE COURT: Exhibit 34; which I gather is the
15 \$4,000.

16 MR. SCHWARTZ: Yes, your Honor.

17 Q Mr. Ryan, from the exhibit before you, the state-
18 ment of account, can you trace what happened to Exhibit
19 35, the \$5,000 check?

20 A The \$5,000 check was paid on November 7, 1969.

21 Q Was that the first time it was deposited?

22 A Yes, it was.

23 MR. SCHWARTZ: I have no further questions.

24 THE COURT: Do you have any questions?

25 MR. SILBERLING: Yes. I would like to look at

1 dhrf 4 Ryan - direct

2 something.

3 THE COURT: I thought Mr. Lester was getting up.
4 We will proceed in the regular order.

5 MR. SILBERLING: Yes, I assume we were proceeding
6 in the regular order.

7 THE COURT: I know, but Mr. Lester got up and
8 that's why I asked you.

9 MR. LESTER: I just wanted to look at the exhibit

10 THE COURT: I'm sorry. I didn't mean to cause
11 any confusion.

12 MR. SILBERLING: All right.

13 MR. LESTER: Your Honor, is there any extra
14 copies of these exhibits that we could look at here so
15 we don't have to run back and forth all the time? I mean
16 that is a photostat.

17 MR. SCHWARTZ: Your Honor, the copies in evidence
18 are the only copies that we have.

19 CROSS EXAMINATION

20 BY MR. SILBERLING:

21 Q I would like to direct your attention to Exhibit
22 34. I think you had testified that by looking at Exhibit
23 37 you could say that Exhibit 34, the \$4,600 check, was
24 presented for payment or paid on November 20th.

25 A That is correct.

1 dhrf 5

Ryan - cross

2 Q Would you look at the back of Exhibit 34, and is
3 there anything on there that would deal with any entry
4 that would concern itself with another date; and, if so,
5 what is that?

6 A The NCR machine on the back shows the different
7 days of presentation.

8 Q Does that bear a stamp that shows November 12,
9 1969?

10 A It's hard to read because it is overimprinted.

11 Q Okay.

12 Do you make it out?

13 A No, I don't.

14 Q I'm sorry, how about looking at it that side up?

15 A That's the endorsement stamp of the presenting
16 bank, not ours.

17 Q So that's a November 12th date, correct?

18 A That is correct.

19 Q So by looking at that check, Exhibit 34, could
20 you tell when it was then presented for payment?

21 MR. SCHWARTZ: Your Honor, may we clarify as
22 to the first time it was presented or the second time?

23 MR. SILBERLING: Your Honor, I'm sure that this
24 witness is capable of giving us the answer and I would like
25 to have him answer this question and let redirect come

1 direct 6 Ryan - cross

2 at the time of redirect.

3 THE COURT: All right. I will allow it.

4 A The check bears an endorsement of the Merchants
5 Bank dated November 12, 1960.

6 Q Does that endorsement mean anything in terms of
7 the time when the check was presented for payment?

8 A As far as the check is presented for payment to
9 the bank?

10 Q Yes.

11 A It can.

12 Q In this case, just looking at that exhibit, does
13 that indicate to you that on November 12th that check was
14 presented for payment at some other bank other than the
15 First Israel Bank?

16 A Not presented for payment. It was deposited
17 into an account. It appears from the endorsements on the
18 back of the instrument that it was presented for payment
19 through the Merchants Bank. The Merchants Bank in
20 turn presented it through the normal clearing channels, who-
21 ever they may deal with, and finally presented to the First
22 Israel Bank and Trust Company at the time for final payment.

23 Q So that you don't know whose account that is or
24 whether there was an account at the Merchants Bank that has
25 anything to do with this check, do you?

SOUTHERN
UNIT

A-106

COURT REPORTERS
COURTHOUSE

FOURTH SQUARE

1 if that is unclear, I will withdraw it. Is that
2 unclear to you?

3 A It has an endorsement, Jager Jewelry on the back.

4 Q And it was presented for payment November 12th;
5 is that it?

6 A Possibly the first or the second time.

7 Q Then when was it paid? You would look at this?

8 A Paid on November 20th.

9 Q Can you tell when it was or how long it would take
10 for notice of this check's nonpayment to come through?

11 A What do you mean for nonpayment?

12 Q I think you said this check was \$4,600, dated
13 November 3rd; is that correct?

14 A Correct.

15 Q Was that presented to the bank on a given date?

16 A Originally November 6th.

17 Q How do you tell that?

18 A From the posting on the statement of account.

19 Q Then how long would notice take to get back in
20 the normal course of business of the bank to the customer
21 that there were insufficient funds in the bank?

22 A No definite period. Depending upon the bank that
23 it -- it goes through different channels depending upon
24 whether or not the bank is a member of the clearing house
25

dhrg 8 Ryan cross

with whom it makes its deposits. It could take anywhere from one to three days.

Q To get back --

A To the bank.

Q How long after?

A They in turn charge their customer's account, return it to their customer.

Q How is that usually done; by mail?

A Quite possibly by mail. The people could be contacted by telephone; many ways.

Q So in the ordinary course of events, it would take what, four, five days?

A Possibly quite longer.

MR. SCHWARTZ: Objection. He hasn't testified to that.

THE COURT: Objection sustained.

Q In the normal practice of the bank, what would be the period of time for a customer to receive notice that a check was being debited because of insufficient funds?

A It depends upon the bank.

Q Now your bank.

A From four -- four days on a New York City item.

Q Right.

A Four days anywhere up to eight, nine. I'm talking about business days.

Q Four to eight or nine business days you are talking about?

A Right.

Q Thank you.

THE COURT: Are you through, Mr. Silberling?

MR. SILBERLING: Excuse me. Let me take one more look. I think I am.

Q Excuse me, on this check, I am having difficulty. Will you show me on this document where the debit memo is in connection with Exhibit 34? What's the date of the debit memo, then?

A 4600. You are looking at something else.

THE COURT: You are talking to yourselves,

JOHN H.

COURT REPORTERS

UNIT A-109

COURT HOUSE

NEW YORK, N.Y.

TELEPHONE: (212) 691-1000

gentlemen.

MR. SILBERLING: I'm sorry.

Q Will you show me on Exhibit 37 where you find the date of the \$4600 debit memo which is --

A It's not a debit memorandum.

Q I'm sorry.

A It's a \$4600 entry.

Q Correct. What is the date of it?

A It appears to be November 19.

Q Where is the entry that shows that the check was returned for insufficient funds from Exhibit 37; is there any?

A A combination of entries.

Q Okay.

A The check was presented on November 6.

Q Right.

A When they returned it, the MICR didn't print. They reccredited the account \$600, which was subsequently adjusted.

Q On what date was that?

A November 10.

Q Right. Then what happened?

A It was represented for payment over here.

Q On November 20?

1 A 19, I believe.

2 Q I'm sorry, 19.

3 So it would be then sometime between the
4 9th or 10th and the 19th that the check would have gone
5 back to the customer of the account?
6

7 A The original depositor, correct.

8 Q Okay.

9 MR. SILBERLING: Thank you.

10 CROSS-EXAMINATION

11 BY MR. GOLDMAN:

12 Q Sir, I show you Exhibit 37 and the second
13 entry is, I believe, a \$5000 mark to it, a DM?

14 A That's correct.

15 Q What does DM stand for, sir?

16 A Debit memorandum.

17 Q Can you tell what that debit memorandum is for?

18 A Not by looking at the statement, no.

19 Q What are the various reasons that a checking
20 account will be a debit memorandum?

21 A It's an internally created entry.

22 Q Excuse me. Are you finished?

23 A You asked me --

24 Q It's internally created?

25 A Yes.

2 Q What would a debit memorandum mean? What
3 are the possibilities that could cause that debit
4 memorandum?

5 A Many possibilities. There are many reasons
6 for a DM or a debit memorandum. A customer could have
7 give instructions to charge the account, we may have
8 charged this account for something, for some other
9 reason, issuance of an official check, transfer of funds,
10 numerous reasons.

11 Q Do you have any records pertaining to this
12 account other than those that you have shown in court
13 today?

14 A No, I don't.

15 Q Does the bank have those, do you know?

16 A They do.

17 Q Sir, let me ask you this: Mr. Silberling
18 did and I'm still not clear looking at the records.
19 How can you, from looking at this document, Exhibit 37,
20 tell that the \$4600 check bounced?

21 THE COURT: He just went through that.

22 MR. GOLDMAN: I didn't quite understand it,
23 your Honor. If I may ask.

24 A When the \$4600 check was presented for payment,
25 it put the account in an overdraft position. The account

on the check was returned to the presenting bank and subsequently recredited to the account.

Q When you say recredited, it was done in two different stages; is that correct?

A That is correct.

Q What stage, what was the first stage?

A \$4600 was recredited to the account.

Q In two different stages?

A The \$4600 was recredited to the account.

The MICR didn't print correctly.

Q The microfilm didn't print correctly?

A The MICR.

Q I'm sorry, what is a MICR?

A MICR is what you have on just before every check in this country. I think it's called Magnetic Ink Character Recognition. It's the account number.

Q The account number didn't print correctly?

A The MICR for the dollar amounts, which is in the right lower lefthand corner of the check.

Q I see. And it printed instead of \$4600 a credit of 600?

A That is correct.

Q How was that corrected, that error?

A By recrediting the account \$4000.

Q When was the correction made?

A On the 10th.

Q When was the original \$600 entry?

A On the 7th.

Q So in other words, the reason for that statement was a computer foulup?

A The MICR on the document that we passed was not legible or readable by the computer.

MR. GOLDMAN: I have no further questions.

MR. SILBERLING: Your Honor, I do. Apparently I was a little slipshod in trying to track the actions and I ask the Court's indulgence. It will be limited to the interbank procedure only. May I or should I wait?

THE COURT: All right.

CROSS-EXAMINATION CONTINUED

BY MR. SILBERLING:

Q Mr. Ryan, to help us, I was asking you before in terms of the procedures. The check, according to the records, you said, was presented to the bank on November 6th?

A Correct.

Q Through some, I don't know what it had to do with the microfilming or the rest, the check was not

honored on November 6th according to those records?

A Correct.

Q Now, at that point the check doesn't go back to the customer of the bank, the check goes back to the presenting bank, doesn't it?

A Correct.

Q And it goes back to the presenting bank in the normal channels?

A Correct.

Q What are the normal channels, mail?

A Mail.

Q Okay.

A Through the New York Clearing House.

Q And then how long does it take through the New York Clearing House for the check like this to get back to the issuing bank?

A It depends upon the bank presenting it.

Q Let's say it's a New York City bank?

A It could be within 24 hours.

Q What's your experience?

THE COURT: We went through this before, Mr. Silberling.

MR. SILBERLING: No, I think I misled him. I thought I was talking about customers and this

has to do with interbank. So then, you see, there is a step I left out, your Honor.

Q Is that not correct, the procedure would be -- let's see if I can track the steps with you -- the procedure would be the presentation of the check at your bank, an entry made by your bank and then a return of the check to the clearing house?

A Correct.

Q Then from the clearing house it would go back to the bank that had originally received the check?

A That's correct.

Q And then from that bank it would then go back to that bank's customer notifying that bank's customer that there were insufficient funds at your bank?

A Correct.

Q So that it's a process of bank to clearing house, to bank to customer?

A Correct.

Q Can you give us a period of time for that process?

A There's no specific time. It depends upon the bank.

Q All right. In this particular case, is it the Merchant's Bank?

A The Merchants Bank. I'm not familiar with the Merchants Bank or their dealings.

Q All right.

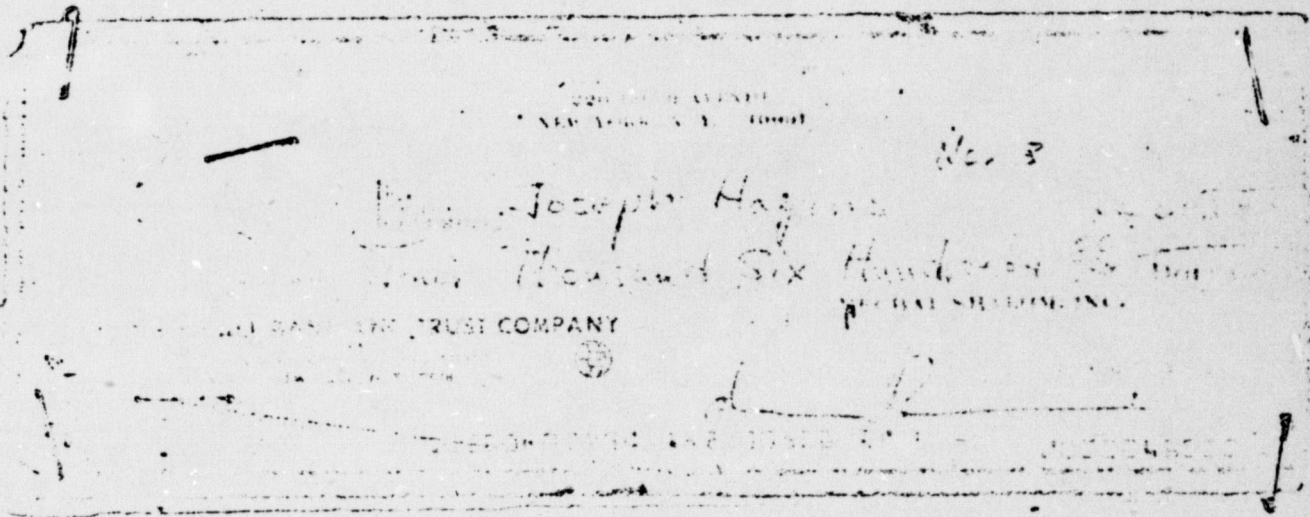
MR. SILBERLING: I have nothing further.

MR. LESTER: Your Honor, I haven't had a chance to inspect these. Wouldn't it be a good time to take a five-minute recess while I look at these and for personal reasons so I don't take the Court's time?

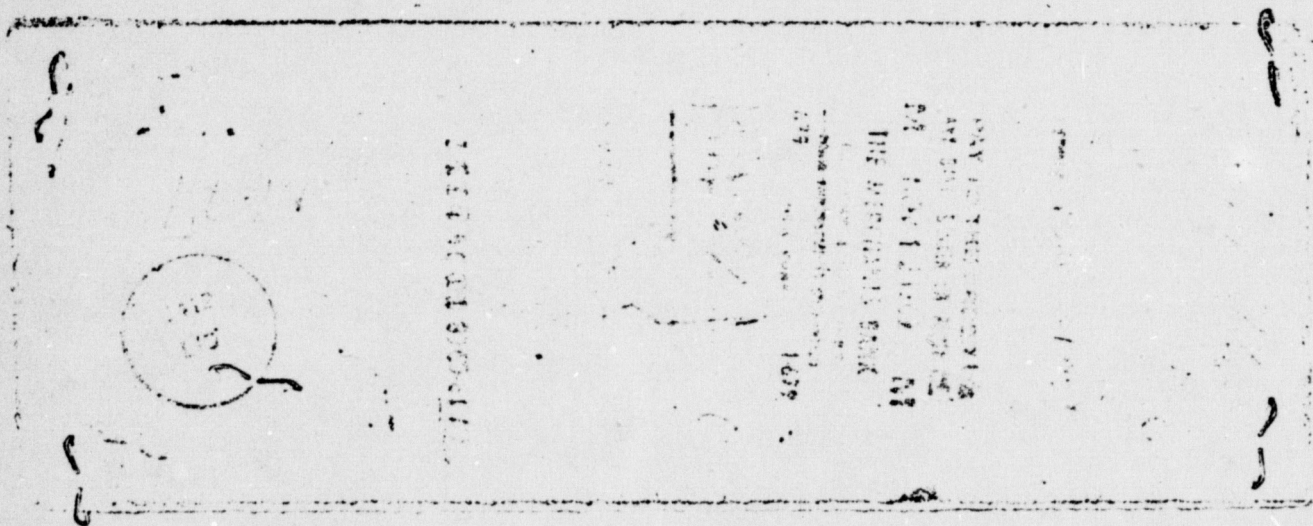
THE COURT: All right. We will take a break.

(Recess)

GOVERNMENT EXHIBIT 34

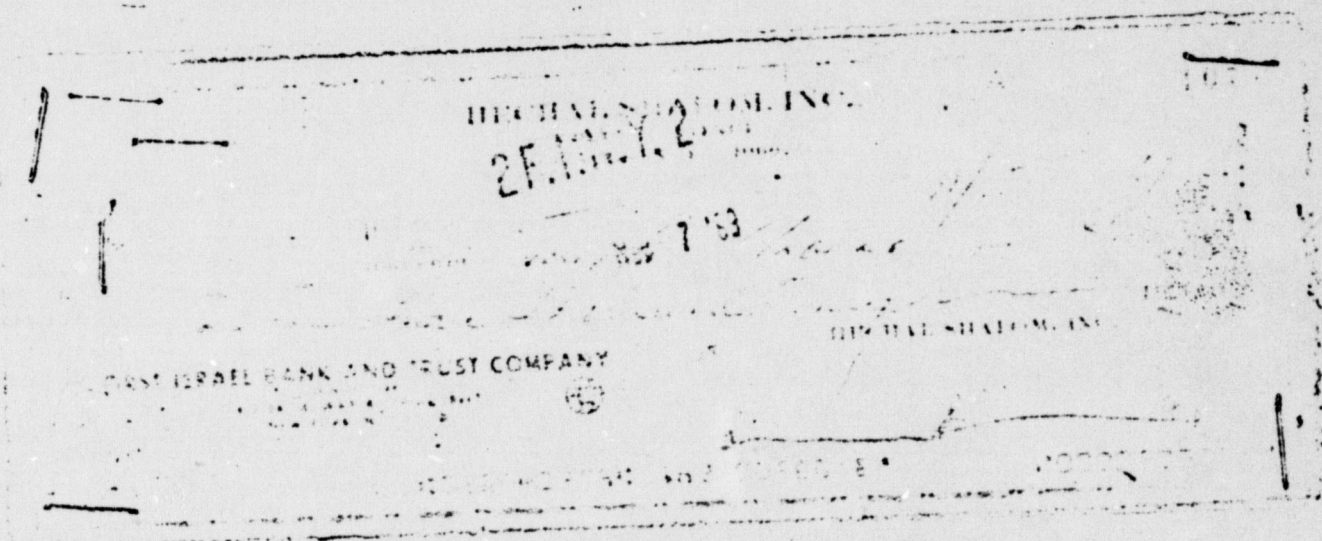


GOVERNMENT EXHIBIT 34



A-119

GOVERNMENT EXHIBIT 35



A-120

GOVERNMENT EXHIBIT 35

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A-121

1001

F1 01 182005666

11/01/61 11/29/61

RECEIVED FROM

1001.00

DEPOSIT & PAYMENTS

DATE

AMOUNT

5,000.00	11/03	4,11.00
4,500.00	11/06	4,11.00

5,000.00	11/07	9,91.00
4,000.00	11/10	4,931.00
4,000.00	11/12	4,931.00
4,000.00	11/13	4,931.00
	11/19	311.00
	11/20	11.00
	11/26	93
	11/28	13

10 ENCLINSUAR

A-122

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UNITED STATES GOVERNMENT
DEPARTMENT OF NEW YORK



STATEMENT OF ACCOUNT

11/29/59 12/31/60

F1 01
132065006

11/29/59 12/31/60

DATE	DEBIT	CREDIT	BALANCE
12/16	428.00		428.00
12/19		250.00	178.00
12/22		600.00	778.00
12/26			778.00
12/30			778.00
12/31			778.00
12/31			778.00

ENCLOSURES

A-123

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Received ~~2~~ copies of the within
Appendix
this 27 day of Jan, 19⁷⁵.

Sign Burt M. Selway AUSA

For: Paul J. Curran Esq(s).

Att'ys for Appellee